Tuesday June 18 1991

D 8523A

FT No. 31,481 THE FINANCIAL TIMES LIMITED 1991

#### Consortium Talks open on political

#### future of **Fairfax N** ireland

Northern Ireland's four main political parties sat down together for the first time in 16 years yesterday to decide
the political future of the troubled British province,
The historic talks opened
in Belfast despite a last minute
threat to the negotiations from
the leader of the historic form

the leader of the loyalist Demo-cratic Unionists

But the start of talks was marred by snother sectarian murder. A 33-year-old part-time soldier in the Ulster Defence Regiment was shot dead by masked gunmen as he arrived for work in Belfast. Page 8

Volcanic action Filipino volcano experts seid Mount Pinatubo, which has killed at least 63 people, was "simmering down". Manila is expected to seek fresh loans to fund volcano damage

erepted again, spewing out ash and lava rocks up to a metre wide. Experts forecast more eruptions. Page 4-

**German-Polish treaty** Germany and Poland signed a friendship and non-aggres-sion treaty aimed at burying ill feelings left over after the Second World War. Page 2

US president George Bush said he had received a "very impor-tant" letter from president Mikhail Gorbachev indicating Soviet determination to reach agreement on arms control.

Apartheid pillar falls South Africa's parliament repealed the Population Registration Act, last remaining statutory pillar of race segrega-

ure on Israel Washington is set to step up pressure on Israel and Syria in a bid to break the stalemate over Middle East peace talks. for attending Page 18, Fear

Bolivian coca protest whom depend on coca leaf crops, blocked roads in protest at a decision to enlist the army in the fight against cocaine trafficking. Page 18

Order to Dutch farmers Dutch farmers, the world's most intensive users of pesti-cides, must halve the amount of chemicals they spray on crops by the turn of the century, the government said.

Former Turkish foreign minis ter Mesut Yilmaz was named prime minister after defeating the ex-premier in a contest for control of the ruling Mother

China criticises Valican Beijing accused Pope John Paul II of meddling in its affairs by appointing a Chine priest as a cardinal. The cardinal, now living in the US, spent 30 years in a Chinese prison for refusing to denounce the Roman church.

Denver bank raid Four bank guards were shot dead in the US city of Denver by a robber who penetrated a complex security system and escaped with at least \$100,000

Prince takes rest Prince Charles has cancelled all but one of his remaining June engagements because of back pain — but he will attend Friday's London parads of British Gulf forces.

Thoughtful theft Burglars who raided a Norwegian military warehouse broke in again next day to return stolen ammunition. "Sorry if there is any damage," a note said. "You really must improve

# battles for media group

FAIRFAX Group: A branch of the Fairfax family, which once headed Australia's oldest newspaper empire, is attempting to regain control of the 150-year-old media group. John B. Fairfax has joined

forces with Tony O'Reilly, the Irish chairman of the US-based Hefnz food group, to put together a bid. The group was put into receivership by its banks in December with debis of \$1.8bn. Page 21

PIERLII, the Italian tyres and cables group which has been locked in a lengthy takeover battle for Continental, its German counterpart, has taken a call option over a key 5 per cant stake in the German company. Page 20

VIAG, the German industrial holding company, received approval from the European Commission to proceed with its acquisition of the European operations of the US group Continental Can, creating Europe's second largest packaging company. The acquisi-tion should double the annual turnover of Viag's packaging operations to \$3.4m. Page 20

LIFTON Industries, the Beverly Hills based industrial and officed services group, hit by the weakness of the automotive market, plans to cut operations at its integrated automation division and take a \$100m charge against fourth-quarter earnings. Page 21. the intergovernmental conferences in December, the politi-cal union negotiation — on

BAA, the former British Airports Authority, announced a 3.5 per cent drop in annual pre-tax profits to £247m (\$405m) because of larger than expected provisions on property interests and the impact of the Gulf war and the economic recession on its airports business. Sir Norman Payne, BAA's chairman, also announced he would be retiring at the end of next month.

Page 19; Lex, Page 18 PEPST-COLA International is to invest \$80m by 1996 in what it called the biggest investment yet in post Commu-plet Poland by a US consumer products company. The investlines, convenience packaging, a training program and expan-sion of distribution facilities.

DEVENISH, the UK brower, won its fight to remain independent after the Takeover Panel rejected complaints by Boddington, the pubs and hotel group, of alleged irregularities in the vote on its lid. Page 19 dent after the Takeover H.J. HEINZ, the US food group, turned in a 12.6 per cent

increase in 1991 net income to \$568m, reflecting currency movements, higher prices and volume, and acquisitions. Page 21 ATRBUS Industrie clinched a \$2bn order from Kuwait Air-

ways for up to 24 new aircraft, against stiff competition from Boeing of the US. Page 3 VOLEX Group, the UK manu-

facturer of wiring systems and electrical accessories, reported a 41 per cent drop in annual me-tax profits to \$4.18m (\$6.8m). Karnings per share dropped from \$1.6p to 17.9p; nevertheless, the final dividens was held at 10.5p to maintain the total payout at 17p.

CANADA'S Beizberg family, once among the most feared North Amarican corporate raiders, may dilute its holding in its flagship company, First City Financial, as part of efforts to cope with a severe was also told that Mr Sam
Belzherg has relinquished his
position as First City's chair-men, although he will remain
a director. Page 21

INNOVATION: British companies have a great deal to learn from the Germans' approach to innovation, according to a report by the Centre for the Exploitation of Science and Technology Page 10

# Britain rejects EC treaty 'with a federal goal'

BRITAIN yesterday rejected part of a draft treaty, backed by most of its European Comby most of its European Com-munity partners, which described the EC for the first time as "a union with a federal

Mr Douglas Hurd, the UK foreign secretary, said: "We do not intend to be committed to the implications which, in the

the implications which, in the English language, the phrase "federal goal" carries".

The word "federalism", surfacing seriously for the first time in the Community's 33-year history, appeared in a draft preemble to a rewritten treaty of Rome, drawn up by the Luxenbourg presidency. Britain's misgivings were shared, although to a lesser exist, by Denmark and Portu-

gal.

Mr Hurd said that, while it in other languages, "federal has come to mean something tight and integrated in English". He added that the Community's founding fathers had been much wiser to write the more vague term "ever closer union" into the original 1958 Treaty of Rome. It seems most unlikely that, at the expected conclusion of

**European Community** business was crippled and meetings on European political union disrupted yesterday as many of the EC institutions' 25,000 civil rvants began a two-day strike. Page 18

which monetary union effecwhich monerary union elec-tively hangs — will fail over one word. But yesterday's fiare-up over federalism, with its suggestion of an eventual European government, symbolises the growing debate over the EC's final destiny. The EC "needs a vision" to steer towards, said Mr Jacques Delors, the Commission presi-

Any concept of European federalism is anothema to the so-called Bruges Group in Britain's ruling Conservative party which is already causing trouble for Mr John Major on the parallel issue of a single

Currency.

By beefing up the Treaty of Rome's introduction, the Luxembourg presidency appeared to have succeeded in quelling strong complaints that the Commission and European Parliament were being shut out of foreign/security policy and police and judicial co-operation.

But the price of this compro-mise is a description of the treaty as "marking a new step leading gradually to a union with a federal goal", and set-ting one of the Community's aims as "the eventual framing of a common defence policy". A subsequent intergovern-A subsequent intergovern-mental conference – by 1996, some states proposed – would

review the treaty "to reinforce the union's federal character". EC foreign ministers will meet once more on Sunday before the government heads gather in Luxembourg on June

> the end of a brief Anglo-French tactical alliance on one issue. Both Paris and London have Both Paris and London have wanted to keep the Commission and parliament out of foreign/security policy, and police co-operation. To meet their wishes, Luxembourg created a "three pillar" structure, with a revised Treaty of Rome covering standard EC business, including aconomic and mone. including economic and mone-tary union, and separate procedures allowing governments to deal more or less directly with each other in foreign affairs and home police matters.
> Other EC states and the Commission objected. So Lux-

# Sterling under pressure

By Rachel Johnson, Economics Staff, in London

STERLING came under heavy selling pressure yesterday, as domestic political and eco-nomic worries added to inter-national factors undermining

the currency.
There was a technical reason belting stating a fall to a close of DM2.925 after DM2.935 on Friday. The UK monetary anthosities said a drop in the peseta at the end of last week had given the pound more room to fall inside the currency grid of the European

archange rate mechanism. Traders, however, regard the pound as vulnerable - at least until upheavals in the ruling Conservative party come to an

Concern about the govern-ment's impopularity and expec-tation that the force of the

recession will lead to more interest rate cuts drove down the pound to DM2.9186 at one point yesterday, amid no signs of government intervention. On its trade-weighted index against a basket of currencies, sterling lost almost half a point to close at 89.4. Further cuts, however, will

depend on the pesets and the strength of the pound. As the peseta determines how far others are allowed to fall. The peseta had been trading at its upper limit against the weakest currency, the French franc, for several months. This had raised sterling's lower limit against the D-Mark to around DM2.87, even though its central rate of DM2.95 theo-

lower limit of around DM2.77.

But the peseta fell – as did
sterling's lower limit – after
Mr Carlos Solchaga, the Spanish finance minister, hinted
last week that he wight out last week that he might cut Spanish interest rates or lock within the ERM.

This gave traders more lee-way to sell pounds yesterday, in the expectation that political to lese several more ofennio there would be little risk of intervention until it approached the new lower limit determined by the weaker

peseta.
Official figures yesterday
Continued on Page 18

retically allows sterling a



# Pavlov demands greater power for Soviet cabinet

By Leyla Boulton in Moscow

MR Valentin Pavlov, the Soviet prime minister, yesterday demanded additional powers for the central government to tackle the country's economic problems amid signs of possi-ble tension with President Mikhail Gorbachev.

As Mr Gorbachev struggled to finalise a draft for a new union treaty giving away power to the country's repub-lics, Mr Pavlov said the cabinet needed powers such as those already enjoyed by the presi-dent, to initiate legislation and

Mr Pavlov also appeared to dismiss the economic and political proposals drawn up by Mr Grigory Yavlinsky with Har-vard economists to dovetail Soviet reforms with foreign aid. 'I know certain gentlemen at Harvard... They do not know our life, or our views on life. They impose their criteria and tell you how to live and

Mr Yavlinsky said, however, that Mr Gorbachev was "fairly positive" about the plan, which he presented to him yesterday, while Mr Boris Yeltsin, the Russian president elect, also voiced satisfaction with it. Mr Vladimir Scherbakov, the economics minister, was more conciliatory than Mr Pavlov, saving the government had yet

to read the plan brought back from the US by Mr Yavlinsky on Saturday. But he admitted the cabinet

did not always get the kind of support it needed from President Gorbachev, who often had a different approach to prob-lems. While Mr Gorbachev looked at longer-term political aims, the cabinet had the task of managing the economy, and sought decisions which were not always politically popular. Mr Payloy also reiterated his

view that Europeans were more eager to help the Soviet Union than the US. "I know the US system. To get money you need to go to Congress to say that the Soviet Union needs help, you need to stand in a queue...let those who want to queue go ahead, but without me."

He nonetheless favoured Mr Gorbachev's meeting with the G7 countries next month, sayfinancial assistance to make ible from next year. But he said efficient government required the power to take quick decisions and that it was physically impossible for President Gorbachev to handle all the responsibilities he has. For instance, to save this year's harvest, the central gov-

manpower and machinery from industrial enterprises to the Mr Pavlov's tough line

appeared to enjoy the support of conservatives in the Soviet Parliament, many of whom are alarmed by the prospect of a further weakening of the assembly's powers as a result of responsibilities being devolved to the republics. Mr Pavloy called for a limit on the republics' quest for sovereignty and attacked the demands of Russia and others for the right to own and control all the natural wealth on their territory. While President Gorbachev met leaders of nine of the 15 republics to argue about such points, the parliament was supposed to discuss an anti-crisis eight republics. But parliament put off the debate, opting to hear instead a report in closed session by the defence minister and the head of the KGB.

The feeling in parliament was that there was little point

discussing the anti-crisis programme, if the real negotiameeting of republican leaders.

Yugoslav republics prepare ground for secession, Page 2

# Arab states agree Kuwait defence after US pullout

By Victor Mailet and Mark Nicholson in Kuwait City

ARAB members of the multi-national alliance which defeated Iraq in the Gulf war have drafted an agreement to supply ground forces to protect Kuwait after western troops finish their withdrawal in the next three months.

About 26,000 troops from the

Gulf region, Egypt and Syria will join a restructured Kuwaiti army in a long-term operation to deter future Iraqi aggression.
The outline agreement reaf-

firms the March 6 Damascus declaration signed by the six deciaration signed by the six Gulf-Co-operation Council states (Saudi Arabia, Kuwait, United Arab Emirates, Oman, Bahrain and Qatar) together with Egypt and Syria.

The pact, which envisaged an Arab peace keeping force, had been threatened by differences between the Gulf states and their Arab warting allies.

and their Arab wartime allies.
There was concern in Washington and in the Gulf when
President Hosni Mubarak of Egypt, apparently upset by Kuwait's desire for western protection, announced in May

that all Egyptian forces were being unilaterally withdrawn without any alternative Those differences now seem

to have been resolved — possi-bly with the help of cash aid from the Gulf states — although the Syrian and Egyp-tian contingents remain small. Shelkh Saad al-Sabah, the Kuwaiti Crown Prince and prime minister, was quoted yesterday by the Egyptian newspaper al-Akhbar as say-ing: We are currently develop-ing the Damascus declaration

and executing all its points."
Shekki Saad gave no details, but it is understood that the Arab troops will be deployed in tiers behind the trip wire of the United Nations Iraq-Kuwait Observer Mission which patrols the border. The Kuwaiti army will be in

the front line, backed up by 10,000 Saudis, 10,000 GCC troops, 3,000 Egyptians and 3,000 Syrians in different sec-The last 3,700 US combat troops are expected to with-

draw from Kuwait by Septem-ber, while the remaining Brit-ish troops should be out by the end of July, although the west will maintain air and sea power in the region with ships and aircraft carriers. Sheikh Saad said President Saddam Hussein was plotting to invade Kuwait again, but

capability to attack in the near future. Sheikh Saad said: "The hope lies not in the presence of for-eign troops but in the agree-ment of the Gulf Co-operation Council with dear Egypt and

western governments believe

sister Syria."
Officials from the GCC Egypt and Syria will meet in Qatar on Monday to discuss arrangements for the joint Arab force and to prepare for a meeting of foreign ministers in

Kuwait next month.

The deal which has now emerged is reminiscent of the situation in 1961, when British troops flew in to deter an Iraqi sion and were replaced by an Arab League force.

# Find out what interest, the people who charge you interest are paying.

Global Report, is the ideal tool with which to keep completely in touch with interest rate levels and all the world's Foreign Exchange Markets, 24 hours a day.

Constantly updated, Global Report gives the fastest news of interest rate changes and in these competitive times that information is invaluable.

Additionally, Global Report provides subscribers with information on a massive range of Business and Financial news ranging from share prices to trade figures.

rewards.	•	
		app a pp y pp a app paded 664 56055 60 care do
NAME	TITLE	
COMPANY		

Arm yourself with the very latest market intelligence and reap the

NAME	TITLE
COMPANY	
ADDRESS	POST CODE
TELEPHONE	FAX NUMBER
RETURN TO: Ken	Cordery,GLOBAL REPORT, 336 THE STRAND, LONDON WC2R 1HB
. FT 18.6	TEL 071.438.0451 FAX. 071.240.5703

#### security on the door."

International aviation: Mr. Samuel Skinner. Argentina embraces free trade US transport secretary, arrives in Europe — 18 | In its fight against inflation Spels and the BC Madrid wants a big transfer of Community wealth from north to south 16 at The five-year row over Indian business. Political uncertainty has compounded indian companies: woes .... Technology: Europe needs a single, large Brazilian cocoas As prices fall, some farmers are clearing out their plantations Swedish politics: The rise of the unashamedly populist New Democracy party .... 4 Arts Guide + Reviews . . 15

Goods ranging from cedes Benz cars are pouring into Argentina

after Mr Domingo ... Cavallo (left), econ-omy minister, cut import tariffs and abolshed almost all trade parriers

\$1.8265 (1.64) DM2.925 (2.935) FF:9.9325 (8.9675) SFr2.5125 (2.5125 Y229.25 (290.5) £ index 89.4 (89.8) GOLD New York: Comex Aug \$370.8 (373.0), \$367.6 (369.35) N SEA Off. (Argus)

MARKETS

New York kan \$1.8265 London:

SFr1.545 Y141.0 DM1.798 (1.789) FFr6.1075 (6.0775) Y141.0 (140.5) Tokyo ciose: Y140,93 US-LUNCHTRUE Fed Funds 522 3-mo Treasu yield: 5.74 Long Bond:

DOLLAR New York kill DM1.798

FT Ordinary: 1977.6 (+1.3) FT-A All-Share: 1211.78 (unchanged) New York: DJ Ind. Av. 3,004.7 (+4.25) S&P Comp 381.58 (-0.71) Tokyo: Nikke 24,943.09 (*--* 150.8) LONDON MONEY 3-month interbenic 11是 (11益) Little long gilt future: Sep 8937 (8937)

STOCK MDICES

FT-SE 100:

2524.0 (+1.7)

Baltic republics likely to inject controversy into Berlin meeting

# **CSCE** ministers set to approve crisis procedure

By Robert Mauthner, Diplomatic Editor

A NEW emergency procedure Europe is expected to be approved by foreign ministers from 34 east and west European countries, the US, Soviet Union and Canada at a conference starting in Berlin tomor-

The crisis management important issues on the agenda of the first meeting of the Conference on Security and Co-operation in Europe (CSCE) to be held at ministerial level since the adoption last November of the Paris Charter on a new European security order. The member states, which

look on the CSCE as the best forum for dealing with east-west co-operation following the end of the cold war, are expec-ted to invite Albania to join their organisation, now that the Balkan state has embarked on democratic reform.

Albania's admission is sup-

ported by all member countries, but the status at the conference of Lithuania, Latvia and Estonia - the three Baltic republics striving for independence from the Soviet Union -

is proving more controversial. Germany, the host country, has invited the three states as guests. They will be able to attend the public opening session, but not subsequent closed sessions. However, the Baltic states, with the backing of Scandinavian countries, are seeking full participation in their own right, which is opposed by the Soviet Union.

The new crisis management procedures were foreseen in the Paris Charter, but only in brief outline. Britain has been to the fore in wanting to flesh

out proposals. The emergency mechanism is intended to reassure the central and eastern European countries, searching for new collective security arrange-ments to replace the defunct Warsaw Pact, that they can turn to the CSCE in the event of a threat to their frontiers or even their internal security.

Under the proposed proce-dure an emergency meeting of CSCE officials could be called by only a few member countries, circumventing the consensus rule which normally applies to CSCE decisions. The exact number needed to summon an emergency session has yet to be agreed, as has the definition of what is an emer-

Some member countries fear the procedure will enable other countries to bring up sensitive problems which are normally exempt from outside interference. Turkey, for instance, is believed to fear that Greece might use the mechanism to raise the dispute over Cyprus.

Ministers are also due to dis-cuss ways of activating the Vienna-based Conflict Prevention Centre set up under the Paris Charter, as well as economic co-operation between western and eastern members. new proposals for arms con-trol, and the critical situation in Yugoslavia and the Baltics.

#### Anti-Mafia party scores in Sicily's local polls

Democrats and a new party preaching rejection of the Mafia both emerged strongly from Sicily's local elections yesterday, a poll that saw the Communist vote collapse, Reuer reports from Rome.

Italian leaders all took part in the campaign, treating it as a dress rehearsal for a general election which must be called before summer 1992. Apart time in a week, voters dealt Mr Craxi a setback as the Socialists lost ground. The Commu-

SICILY'S dominant Christian reotti's Christian Democrats saw their share of the vote jump to 43 per cent from 39 per cent at the last poll in

A former Christian Demo-cratic mayor of Palermo, Mr Leoluca Orlando, brought La Rete out of nowhere to win nearly 8 per cent. In Palermo, his new "clean" message cap-tured a quarter of the vote. "This confirms the Scilfrom Communists and neo-fascists, the main losers appeared to be the Socialists, led by former prime minister Bettino Craxi. For the second misrule by the political estab-

The Democratic Party of the nist vote went to La Rete ('Net- Left (PDS), the new face of Italwork'), a new anti-Mafia party backed by the Roman Catholic hierarchy.

ian communism, saw its vote crash to 11 per cent from 19.4 per cent. A dissident Commuhierarchy.

Prime Minister Giulio And
per cent. A dissident Communist Party scored 3.5 per cent.

#### French telecom industry warned over competition

FRANCE'S telecommunications equipment makers have warned that part of their industry could be consumed by foreign competition, even though exports and growth are strong, Reuter reports from

Mr Jacques Payer, chairman of the Syndicat des Industries de Télécommunication (SIT). which groups telecommunica-tions companies manufacturing in France, said competition in the telephone and facsimile machine sector had become so fierce that local manufacturing activity could disappear. He called for help from the

European Commission for fin-ancing terms equivalent to those enjoyed by non-European

The price of some consumer products, principally faxes and answering machines, dropped by 30-40 per cent in 1990, Mr Payer said. "This is the result of violent competition, which is healthy when it is fair but destructive when the actors do not respect the rules."

Mr Jean-Claude Lavenir. SIT's director, said some manufacturers did not seek approval before marketing new prod-ucts, while some products did not conform to French standards. SIT also presented a report commissioned from anagement consultants Butler Cox which concluded that telephone and fax manufacturing was under threat in Europe as a whole.

as a whole.

"Already all the fax machines sold in Europe use foreign technology and components, because there is no longer such technology which is strictly European," the report

Europe's telecommunications industry has, together with defence, been resilient in an otherwise weak electronics sector. It accounts for 0.6 per cent of Europe's gross national product and is growing at 7 per cent a year.
The continent represents 24

per cent of the world telecommunications equipment mar-ket, the report said.

# Yugoslav republics prepare ground for secession

By Judy Dempsey, Eastern Europe Correspondent

THE existence of Yugoslavia as a federal state will be formally undermined next week when the two western republics of Slovenia and Croatia declare ister of Slovenia, admits it will be costly for this small Alpine republic of just over 2m people. "Slovenia accounts for 30 per cent of total GDP. Over 23 per their independence.

Although these two repub-lics will not declare immediate secession from the federation, the declaration of independence will be more than symbolic. It will set in motion a mechanism whereby the two republics will eventually secede if they are neither allowed to disengage from the federation peacefully, nor able to redefine their relations with the other four republics in a newly-constituted Yugoslavia.

The declaration carries many problems. Mr Andro Ocvirk, the deputy prime min-

cent of our goods are sold to the Yugoslav market, 19 per cent are exported, and the remainder go to the local

"We will have to quickly find new markets in Europe and make our industry more com-petitive," he explained. "Unem-ployment, which is now 8 per cent, could increase to 15 per

Mr Joze Mencinger, an econ-omist at the university of Slovenia, and former deputy prime minister, believes inde-pendence will also lead to a fall of 30-40 per cent in living standards. "This is the cost for an export-oriented economy." he says. He adds that the government will have to impose a tight monetary policy in order to re-build its foreign exchange reserves. This will mean a squeeze on spending and a

freeze on wages.

Mr Ante Markovic, the federal prime minister who is struggling to maintain the integrity of the country, last week warned Slovenia that it was accountable for \$3.7bp of Yugoslavia's \$12hn public debt.
"You cannot just take your share (of Yugoslavia's financial cake) and run," he said. Slovenia also accounts for about \$1.8bn of the foreign debt

Mr Ocvirk insists: "We are

It will take a long time to negotiate our way out of the

Like neighbouring Croatia, the democratically-elected gov-ernment in Slovenia is being pushed by popular opinion. In a referendum last December, Slovenes overwhelmingly voted for independence. Crostia's formal declaration

of independence will galvanise public opinion behind Presi-dent Franjo Tudiman, but it is likely to prolong instability in the republic.

Unlike Sloventa, which is largely ethnically homogeneous, 11 per cent of Croatia's 4.5m population is Serb. Encouraged by Serbia, the Serbs in Krajina, in the

not running out of Yugoslavia. south-west of Crostia, earlier this year declared their inde-pendence from Crostia.

The response by Croatia's government has undermined the republic's fragile demo-cratic institutions. Croatia has lapsed into a semi-authoritar ian state; the media have been cowed into submission; funda-mental economic reforms bave been removed from the agenda. Like Slovenia, Croatia now has

its own army.

Despite threats from Mr
Markovic to stem the independence drive, the federal government is not in a position to
halt the two republics. They
would defend themselves if the
federal army were deployed
reactifically against their declaspecifically against their declarations. "We will defend our-

selves ingainst the Serbe or the federal army! We will may arms from anybody, said Mr Zoran Mrsic, the minister in

charge of privatination.

Nor can the federal government impose an economic blockade since it needs reveone from the republics as from international financial

Mr Markovic still believes in negotiations about retaining Yugoslavia as a state for the Short term.

Slovenia and Croatia believe in negotiations about disen-gugement in the long term Next week's declaration will highlight the increasingly open-conflict between the centre and the republics.

Thomson

agreements

state-owned defence electronic

two foreign co-operation agree-ments in light torpedos and airport radars, writes William

Marines, has signed an agree-ment with Whitehead, the torpedo-maker owned by Fiat

of Italy, to develop, produce and maintain a new light torpedo for use by the French and Italian navies by 1986.

Thomson also said it had reached agreement with ITT, the US conglomerate.

the US conglomerate, to develop and market a new gen-

eration of radars for US air-

ports. They are planning to

tender for the replacement of 100 US airport radars, worth an

estimated \$330m (£201m). The US Federal Aviation Authority

is due to call for bids for the project in the next two years, said officials.

French Prime Minister Edith

Cresson faced her first no-

confidence motion in parlia-

ment yesterday with victory as good as sure, thanks to a Com-

munist party pledge to abstain, Renter reports from Paris. France's right-wing opposi-tion parties called the censure

vote last Thursday, after Mrs Cresson, a Socialist, said she

would force an omnibus finance bill through the National Assembly, using a special constitutional mecha-

nism. This allows governments to pass legislation without a

vote, if necessary, unless the

Cresson faces

confidence vote

THOMSON-CSF. the French

group, yesterday announced

Dawkins in Paris.
A group subsidiary. Thom-son Sintra Activités Sous .

4 144 1

hain.

1 157

· Date

و المدل اليوار الجدوديون

2 6 Mg

स्था । स्थान स्थानकार्यक्री

Jour with

i sistem co

Page Trong

The second second

clinches

defence

#### Italian group wins order for compressors

By Haig Simonian in Milan

NUOVO PIGNONE, the NUOVO PIGNONE, the Florence-based gas turbines subsidiary of Italy's Eni group, has won an order worth about 1200hn (£91m) for the supply of process turbo-compressors to Petronas, the Malaysian national petroleum company.

The turbo-compressors, which are used to lower the which are used to lower the temperature of natural gas to below 160 degrees Celsius as part of the liquefaction pro-

cess, will be used for three nat-ural gas liquefaction lines at Bintulu. When operational the Bintulu plant will produce 7.5m tonnes of liquefied natural gas (LNG) a year for the Far East market.

Each line will comprise two compression trains, consisting of huge centrifugal and axial compressors driven by gas and steam turbines, delivering an installed power in excess of

The order marks the first time large gas turbines, with unit powers exceeding 80MW, are being used to drive process compressors. Until now gas turbines of this size have been used exclusively for generating electricity, according to Nuovo

Pignone.
The Italian company has already applied its technology in Australia, where its turbocompressors are used at a 6m tonne-a-year LNG plant at Kar-

#### Romania PM agrees to talks with workers

MR Petre Roman, Romania's prime minister, backed away from his refusal to hold talks with thousands of engineering workers after strikers staged a protest march through the cap-ital yesterday, Renter reports

from Bucharest.
At the same time Romanian doctors followed teaching unions in staging a national strike over pay and health bud-get funding. Emergency medical services are being main-

Almost 10,000 workers from Bucharest's biggest engineer-ing plants streamed to govern-ment headquarters on Victory Square waving banners and slogans. They handed a note to Mr Roman demanding inflation-linked pay rises, the sack-ing of incompetent managers and direct talks. Romanian radio said the premier agreed to hold talks with engineering

union leaders today.

Yesterday's protest was the biggest anti-government march in a wave of labour unrest reflecting anger over soaring prices, growing unemployment, material shortages and the pace of economic reform. It was a foretaste of a rally

today which is expected to attract several thousand workers, including miners who were

once the government's strongest supporters.

That protest is being organised by the National Confederative Union, the biggest free trade union bloc, it has also called for a strike tomorrow.



Chancellor Helmut Kohl looks on along with his foreign minister, Mr Hans-Dietrich Genecher (right), and Poland's foreign minister, Mr Krzysztof Skubiszewski (front left), as the prime minister of Poland, Mr Jan Krzysztof Bielecki (second left), shakes hands with ex-Chancellor Willy Brandt. The gathering in Bonn yesterday was for the signing of the treaty of friendship and co-operation.

#### GERMANY AND POLAND BURY THEIR TRAGIC PAST

GERMANY and Poland yesterday buried their tragic past and hailed a brighter future together as their leaders signed a historic treaty of friendship and co-opera-tion, writes Leslie Colitt in Berlin.

Chancellor Helmut Kohl, noting that Poland had agreed to guarantee the rights of its ethnic Germans, said Germany had a "special responsibility" to support Poland's economic reforms and help it join the European Community.

Boun is also expected to accede to a long-standing Polish demand that restitution be paid to Poles who worked as forced labourers in Nazi Germany.

Poland's prime minister, said that Poland's path to integration with the EC

"leads through Germany".

The accord, together with an earlier treaty finalising Germany's acceptance of the postwar Oder-Neisse border, is to be ratified by the German parliament after its summer recess.

At the signing ceremony in Bonn, Chan-cellor Kohl said the close relationship forged with France after the Second World War was the model for the reconcil-

iation treaty with Poland.
Mr Kohl pointed out that some Germans, especially those forced to leave

Poland after 1945, found it difficult to accept the treaty as did some Poles, and he appealed to both groups for As a reminder of the lingering resent-

ment among Germans expelled from Poland, two small aircraft circled over Bonn trailing banners claiming that "Renunciation is betrayal - Silesia remains ours".

However, the head of the Federation of Expellees, Mr Hartmut Koschyk, urged his members to make active use of the opportunities offered by the treaty and said the situation of ethnic Germans in In turn, Mr Jan Krzysztof Bielecki, their homes in what became western Poland had been decisively improved.

#### opposition deposits a no-confi-dence motion within 24 hours. Yilmaz named as

Turkish premier Turkish President Turgut Ozal named the ruling Motherland party's newly elected chairman Mesut Yilmaz as prime minis-ter yesterday, the semi-official Anatolian news agency sald, Reuter reports from Ankara Mr Yildirim Akbulut resigned as prime minister on Sunday after his defeat by Mr Yilmaz the previous day in a contest for party leadership.

#### **Swedes and Poles** in airline venture

Swedish airline Linjeflyg. which is 50 per cent owned by haulage company Blispedition, said yesterday it had signed an agreement with Polish airline LOT to start a regional Euro pean airline run as a joint ven-ture. Reuter reports from

Correction

are a danger to democracy. These dumb criticisms don't Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman. D.E.P. Palmer. Majo shareholders: The Financial Totten Limited. The Financial News. Limited. Publishing director: J. Rolley. 168 Rue de Rivolt, 75048 Paris Cedes 01. Tel: (01) 4297 0629; Effitor: Richard Lambert. Proletr. SA Nord Eclary. 15.21 Rue de Cairc. hurt us. People can see they are not true."
Indeed, the party insists that it is out "to cheer everybody up" Mr Wachmeister says that Sweden's attitude to alcohol cheaper and more accessible. We should make it easier for

Financial Times (Scandinavia) Vinanci-skaftet 42A, DK-1161 Copenhagen-K, Denmark, Telephone (33) 13 44 61. Fax (33) 935335.

# Greek communists threatened by split

hardline faction in the KKE alliance with the Socialists.

By Kerin Hope in Athens

A SPLIT between hardliners and reformers in the Greek Communist (KKE) party threatens to leave both on the sidelines of Greek political life. The dispute came to a head at the weekend when Mrs Aleka Paparriga, the party's secretary general, said she was pulling the KKE out of the Left Alliance, a communist-dominated coalition of left-wing parties which made

history two years ago by join-ing a conservative-led govern-The break comes when sup-port for the ruling conserva-tives is declining but the socialists are making few gains, according to opinion

THEY are called Swe-

den's political odd cou-ple. But Mr Bert Karis-son, a local fun fair impresario, and Count Ian Wachineister, the colourful owner of a metal

company called the Empire. are posing a formidable threat to the earnest, grey world of Swedish politics three months before the country's next gen-

eral election.

Their sudden rise to public

notoriety is quite astonishing. It was only in February this year that the two men

launched their political party, New Democracy (ND), which has grown so rapidly that it is

already the fourth largest. It has around 10 per cent of Swedish voters expressing sup-port for it. No party in Swedish

history has grown so fast in so

To the horror of the political

establishment, ND looks like

making it even more difficult

was ready to destroy the Alliance under its moderate com-munist leader, Mrs Maria Damanaki. "The problem is not a split in the Alliance but its actual existence," she said. Under Mrs Damanaki, the communist reformers have used the Alliance as a platform for trying to modernise the KKE. She stood firm on Sun-day, saying: "You can't try to use the argument that the left has been stagnating as an excuse for a return to the

But Mrs Damanaki, who currently has the highest approval rading of any Greek political leader, is likely to face pres-sure to revive her party's pros-Mrs Paparriga said that her pects by making a strategic

The hardline communists now seem intent on protecting their Stalinist heritage at all costs. They are mostly veterans of the Greek civil war in the 1940s when the communists were defeated by US-backed nationalist forces. Elderly KKE hardliners gathered outside the House of the

People, the party's fortress-like headquarters, on Sunday, shouting abuse at prominent reformers.
Although communist reform-

ers are expected to remain loyal to the Alliance in defi-ance of Mrs Paparriga, its future remains uncertain, partly because it will lose the financial support of the KKE. The KKE's substantial assets

ties. We are not in their club and they have decided we are

up to no good. This is all very Swedish. They run politics like a cartel and they want to keep

us out. We have too much politics

Paparriga took over their respective posts in February after the retirement of Mr Harilaos Florakis, 76, who led both the KKE and the Alliance. Mr Florakis, still an influen-

tial figure, supports Mrs Papar-riga, despite having helped to establish the Left Alliance. He shifted position after KKE backing for the Alliance shrank as a result of powersharing with the Conservatives, reflecting a feeling of betrayal among the communist old guard, who were jalled or denied jobs under previous conservative governments.

cowardice" and opposes all aid to foreign dictatorships. The

party wants tougher punishments for criminals. It attacks

sickness absenteeism at work as an abuse of welfare.

"We have been accused of everything," says Mr Wach-

"They say we are crazy - that we are populist, that we attract malcontents,

that we are just in it for public relations for our businesses,

His party wants to make it

people to meet socially. Loneli

ness is our biggest problem. In

our attitude to drink we are

like barbarians. More alcohol

is drunk in the lavatories than

"is absurd".

grew out of an underground

network of economic support

before the party was legalised

Mrs Damanaki and Mrs

Swedes flock to new political act A new party has shocked the establishment, Robert Taylor writes

International **Economic Indicators** reduce state debt and abolish state monopolies. It supports joining the European Commu-nity, denounces Swedish neu-trality as "opportunism and The lower left chart under "growth of trade", published on June 17, should have been labelled "exports".

The Financial Times (Europe) Ltd
Published by the Financial Times
(Europe) Ltd., Frankfurt Branch,
(Guiolictstrasse 54, 6000 Frankfurt-amMain 1: Telephone 069-75980: Fax
069-722677; Telex 416193 represented
by E. Hugo, Frankfurt/Mant, and, as
members of the Board of Directors,
R.A.F. McClean, G.T.S. Damer, A.C.
Miller, D.E.P. Patmer, London, PronterFrankfurter Societaets-DruckereiGmbH, Frankfurt, Main, Responsible
editor: Richard Lambert, Financial
Times, Number One Southwark Bridge,
London SE1 9ffl. The Funancial Times
Ltd, 1991.

SA Nord Echar, 15/21 Ruc de Cairc, 99100 Roubaix Cedex 1 ISSN: ISSN: ISSN: 148-2753. Commission Paritaire No 67808D.

Notice of Interest Rate

To the Holders of

#### The United Mexican States Floating Rate Bonds Due 2019

NOTICE IS HEREBY GIVEN that the interest rate covering the interest period from June 17, 1991 to December 16, 1991 is detailed below:



BANCO INTERNACIONAL

June 17, 1991

NEW YORK AGENCY, FISCAL AGENT

to ensure a strong government takes power after the general election on September 15. Unashamedly populist, ND is exploiting with panache the current mood of cynicism and discontent with conventional party politics sweeping the country. Its targets are all the

short a time.

expensive alcohol, neutrality and collectivism in all its forms.

the Hans Christian Andersen controlled enterprises to reduce state debt and abolish state monopolies. It supports ND is attracting support

from across the right-left spec-trum but especially among young men, bored by the dull self-righteousness of the con-ventional parties. It has taken a long time but Sweden is now following Denmark and Norway with the emergence of a

in this country. But ND is anti-the politicians and the bureau-'They say we are crazy, that we are populist, and that we attract malcontents. These dumb criticisms do not hurt us'

the right.
"We want to change the system, not a little as all the others do, but completely," said Mr Wachmeister. "It is sup-posed to take care of people, but people want to take care of

populist, non-socialist party of

themselves." Wearing red trousers and a flower tie, and sitting in his ornately furnished office in fashionable downtown Stockholm with Andy Warhol's por-trait of Monroe behind him, be hardly looks or sounds the sin-ister Frankenstein portrayed by his political enemies.
"We are like the pea under

country's sacred cows - high taxation, the welfare state, the pillows of the princess in

being. We want to give Swedes space, choice and responsibil-

crats. We are pro the human

Tax cutting is the priority. Mr Wachmeister wants to make Sweden a country fit for businessmen to live in. ND demands that tax as a proportion of Swedish gross domestic product must be cut from today's 57 per cent to 47 per cent within five years. It favours slashing the marginal income tax rate from 50 per cent to 40 per cent, as well as abolishing the wealth tax, and halving the tax on inheritance

ND wants to sell off all state in restaurants."

# how to invest in E Europe

By Robert Thomson in Tokyo

THE Japanese government announced the launch yesterday of a programme designed to train company managers for investment in eastern Europe, which had borned for a web of which had hoped for a rush of Japanese funds but has received only a trickle.

received only a trickle.

A recent survey by Japan's Association of Corporate Executives suggested that only 28 Japanese companies had so far invested there and that most companies lacked confidence in understanding the countries' economies and cultures.

The Ministry of Labour said it would sponsor about 20 Japanese

it would sponsor about 20 Japa-nese managers, who will be sent for a year to eastern Europe to study work customs. The ministry, expected to expand the programme next year, will pay travelling and accommodation expenses and half of the salary

due to the chosen managers. "We want to improve the know-how of Japanese companies. The managers will come from manufacturing firms, and there will probably be some smaller companies involved. Before they can invest, companies have to learn how to deal with local people," the

The high expectations in eastern Kurope of Japanese investment have put pressure on Tokyo, which wants to be seen as playing a role in redeveloping the region. But Japanese companies have been wary of potential political and economic instability.

The programme is an extension of a government.

extension of a government-sponsored vocational training scheme that has sent Japanese managers to other Asian coun-

#### Unilever takes stake in Polish detergents

By Guy de Jonquières in London and Christopher Bobinski in Warsaw

UNILEVER, the Anglo-Dutch UNILEVER, the Anglo-Dutch food and consumer products group, agreed yesterday to acquire from the Polish government 30 per cent of Pollena Bydgoszcz, Poland's leading laundry detergents producer, for \$20m (£12.1m).

The deal is the largest made as part of Polland's privaties.

as part of Poland's privatisa-

Unilever plans to invest \$24m in the next five years to double the Polish company's production capacity, modernise its washing powder technology and equip it to make liquid

Tenang (gg

eaning products. This is Unilever's first investment in an eastern European country, apart from two margarine companies pur-

margarine companies purchased in eastern Germany in April.

Pollena Bydgoszcz, which is to be re-named Polska Lever, accounted for about a quarter of the 250,000 tonnes of detergents sold in Poland last year.

Unilonal will be the first Unilever will be the first western company to benefit from provisions in Poland's foreign investment law, now in the final stages of parallow the full cost of equity investments to be offset against corporate income tax. Pepsi Cola International yesterday announced that Tarczyn, near Warsaw, would become its ninth bottling plant in Poland. Pepsi Cola daily produces Im bottles in Poland and plans to double sales by 1995. The company which opened its first bottling plant in Poland in 1972, says it will spend \$60m on new bottling lines, new packaging, training and expansion of distribution

ministry said.

The high expectations in

#### Austria food chain agrees Hungarian shareholding

By Nicholas Denton

THE Austrian grocery chain, Julius Meinl, yesterday took a majority shareholding in Cse-mege Trading Company, a leading state-owned Hungar-ian food retailer.

Meial is to pay more than F12.3bm (£18m) for its stake but did not disclose the exact price. Meial undertook to invest Ft3hn over the next five years. A public offering to small investors of the minority shareholding retained by the state is expected in 1992. The signing of the contract marks the most significant pri-

vatisation yet in the Hungarian retail sector and contrasts with the sluggish pace of auctions of state-owned shops and restaurants to domestic investigations of the contractions of the contraction of the contract tors. Of 9,690 outlets ear-marked for sale, fewer than 200 have been sold in the pro-gramme's first six months.

several announced recently in several announced recently in Hungary. The government claims that Hungary received more than half of all foreign direct investment in east Europe (excluding eastern Germany) in 1990.

currency exports to \$80m son, executive vice-president

glass facility represented an investment of \$120m, a quar-ter in equity. We would antic-ipate further, downstream investments," Mr Gerson said

## **UK group wins Kuwait** power system contract

BRISTOL Babcock, the British

engineering group, has won a £3.6m contract to rebuild the control room of one of Kuwait's main power stations as the emirate starts a threeyear programme to restore its badly damaged power system. The company expects to complete repairs to the control room at the 5,230MW Doha West station by early next year. The station has provided power since 30 days after the emirate's liberation from Iraq mergency repairs were car-

ried out by engineers from British Electricity Interna-tional a subsidiary of National Kuwaiti officials say that a further contract, worth \$20m, to replace oil fuel tanks common to Doha West and the adjoining Doha Best station, is

likely to be awarded to Blount, the US engineering group, sub-ject to last-minute details. Bahcock Construction, also part of the Babcock group, is already working on a \$1.5m contract on emergency repairs to boilers at four power plants.
All six of Kuwait's combined water and desalination plants were damaged by the Iraqis, along with much of the power work. The government is considering bids to repair the control room at Doha East, which was also wrecked.

Mr Ahmed al Adsany, minis-ter of electricity and water. says the government expects to spend KD250m (£500m) on the rebuilding programme, most of which will be spent on restor-

#### Airbus beats Boeing to \$2bn order from emirate

By Paul Beits, Aerospace Correspondent

AIRBUS Industrie yesterday

The letter of intent signed clinched at the Paris Air Show by Mr Ahmed al-Mishari, a \$2bn (£1.2bn) order from chairman of Kuwait Airways, Kuwait Airways for up to 24 and Mr Pierson covers firm new aircraft against stiff com-orders for three A320 narrowpetition from Boeing of the US. The order is the largest ever placed by the carrier and reflects modernisation and reconstruction of the airline's

fleet after the Guif war. has also taken options for a Mr Jean Pierson, Airbus further nine Airbus aircraft. chairman, said the European Beeing is expected to consortium was pleased to contribute to the reconstruction of Kuwait In addition, this new contract further reinforces Airbus' very strong position in the Middle East."

bodied aircraft, three A310 wide bodied airliners and five A300 wide-bodied aircraft as well as four A340 four engined long-range aircraft. Kuwait for its new 777 twin-engined wide-bodied sircraft this week. This is likely to involve Thai

#### **WORLD TRADE NEWS**

# Japanese study | Painful embrace of a competitive transformation

John Barham assesses Argentine progress - and reluctance - in implementing trade reform

FTER years of sterile debate and occasional debate and occasional timid advances, trade reform is beginning to bite in Argentina. Goods ranging from machine tools to Mercedes Benz cars and Mars bars are pouring into Argentina, the government having cut import tariffs and abolished all but a few of its most feroclous trade barriers.

The government's embrace of free trade demonstrates its determination — many would say its desperation — in grap-pling with Argentina's chronic inflation as well as reviving its moribund industrial base. On April 1, Mr Domingo

On April 1, Mr Domingo Cavallo, economy minister, implemented a new stabilisation law which makes Argentina's currency freely convertible and lets the central bank print money only when the issue is backed by gold or hard currency. He promised to run a budget surplus, increase taxes and deepen free trade reforms. Also on April 1, Mr Cavallo reduced the average tariff to Also on April 1, Mr Cavallo reduced the average tariff to 9.4 per cent from 16 per cent and introduced a three-tier tariff structure in which a 22 per cent tariff is paid on manufactures and capital goods competing with Argentine products. Intermediate goods incur 11 per cent and raw materials or cavital souds with no local or capital goods with no local equivalent are exempt from duty.

Officials expect imports to grow by more than 40 per cent this year, to \$5.6bn, while exports should fall to \$9bn-\$9.6bn, cutting the record 1990 trade surplus of \$7.9bn to

Business is already protest-ing that entire industries face annihilation, claiming it cannot compete with imports while public sector utilities charge high prices, the govern-ment imposes heavy taxes and labour costs and inflation are still climbing, making the cur-rency increasingly overvalued.

Other bills before congress would simplify export and import procedures, create an export-import bank and punish "unfair" trade practices. The government is also reforming the corrupt and inefficient customs service.

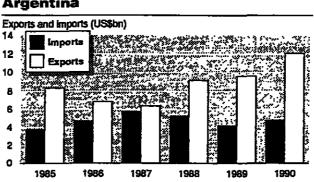
cracy and delays. Press reports say officials are "mistakenly"

claims that the currency is overvalued: "If companies can-not export, it is because they **Argentina** 

However, few are admitting that rampant tax evasion more than compensates business for high production costs. Officials say they have already brought energy costs down to interna-tional levels in greater Buenos Aires, where Argentine indus-try is concentrated. Furthermore, they have scrapped exchange controls and pro-posed legislation to eform the rigid labour market.
Other bills before congress

However, companies still complain of excessive bureau-

government relations manager, says: "Our philosophy is to reduce costs and maintain competitiveness. Companies often do not have a clear idea of their costs because of infla-tion and lack of competition." Mr Cavallo also rejects The government has shrunk from lifting protection of the



are selling the wrong products or because they lack sufficient productivity." Forty years of protectionism have made industry inward-looking, with little incentive to become inter-

nationally competitive.
IBM's Argentine subsidiary is a stark exception to the rule. Foreign trade accounts for more than 70 per cent of its \$350m-equivalent annual turnover. Mr Alfredo Ballarino,

tronics industries. Car imports are strictly controlled, although integration accords with Brazil allow for increas-ing bilateral trade in compo-nents and vehicles. The electronics industry - in a controversial free trade zone on Tierra del Fuego in the far south - has won a reprieve by pleading that geopolitical, social and economic factors

government and importers have agreed to control imports of consumer electronics so as to force prices down while protecting zone assembly plants. Mr Carlos Kesman, foreign

trade under-secretary, recognises that some hidden barri-ers remain. High freight and port costs alone add about 16 per cent to the cost of imports. imports must also pay a fur-ther 14 per cent in non-tariff taxes, while customs agents' fees, local taxes and sales mar-gins raise costs by a further 60

per cent. However, distribution channels are beginning to react to the wave of imports. Mr Diego Santisteban, president of the Chamber of Argentine Import-ers, says: "Retailers may not be substituting their local suppliers, which are often oligopol-ists or belong to cartels, for fear this trade policy may not last. But manufacturers are importing more to force local

uppliers to lower prices." Yet Argentine adjustment Yet Argentine adjustment policies have invariably culminated in yet more inflation and devaluation. Executives are not convinced Mr Cavallo's policies will last, and have avoided strategic investment decisions. Foreign critics would add that they lack the entrepreneurial spirit to cut costs ruthlessly and fight for costs ruthlessly and fight for new markets.

Although Argentines hold

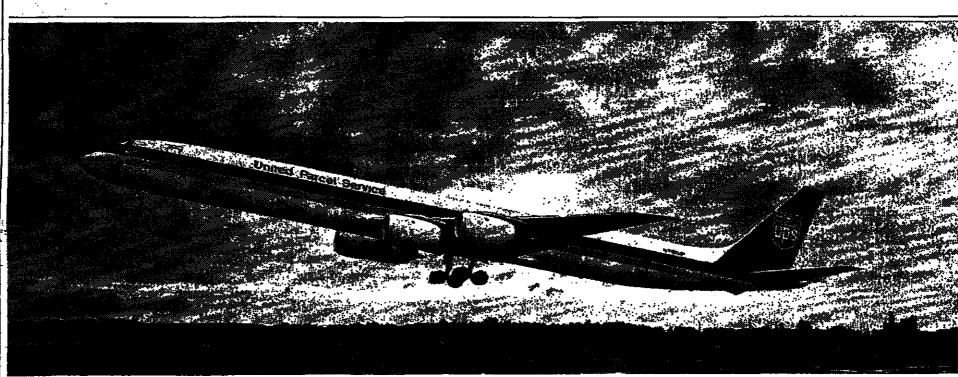
about \$40bn-\$50bn in flight capital abroad, the country invests less than 9 per cent of its gross domestic product. Companies are being warned to modergise quickly. Mr Miguel Angel Broda, an influential consultant, says: "Now, a half-point improvement in costs means something. Before, it was not financial investments provided returns of 15 per cent a

Much depends on trade with Brazil, Argentina's largest trading partner, with which it plans to form a common mar-ket in 1995. Bilateral trade is already growing strongly, as phased integration steadily takes effect through six-monthly tariff reductions. Trade with Brazil and expo-

sure to international markets will take a brutal toll in jobs and bankruptcies. However, analysts agree that Argentina is clearly competitive in agri-culture, food-processing and energy-related industries. Its steel, petrochemicals and engi-neering sectors could become competitive if rationalisation

were to begin soon. Rationalisation will be felt first in impoverished provinces far from Buenos Aires. Many wonder if the government will be forced to soften trade policy, as it already has for Tierra del Fuego, remembering mid-term elections are due in October.

# There Are 10,000 Parcels On This Plane But Some Are More Important Than The Rest



At UPS, we handle over 11 million deliveries every working day, spanning 180 countries and territories, worldwide.

We track international deliveries electronically, and speed them across borders using our Electronic Customs Pre-Alert system. All at remarkably competitive rates. But however many packages we handle, we know that maintaining your trust

is something that can only be done one shipment at a time. By recognising that each delivery is as vital to our business as it is to yours.

We never forget one simple fact: The millions of packages we deliver are merely statistics. Except those we deliver for you.



#### **United Parcel Service**

As sure as taking it there yourself.

For further information call Austria: Setr Air Parcel Service · Tel. 022/7770 3556 or 3557 Belgium/Luxembourg: UPS · Tel. 02/2472828 Bulgaria: In Time Kurnersysteme · Tel. 09/653854 Czechoslovakia: In Time length of the Control of

#### INTERNATIONAL NEWS

# Congress casts round for India's next PM

Businesses starved of foreign exchange

Gita Piramal finds political uncertainty has added to Indian companies' woes

By David Housego in New Delhi

INDIA'S Congress party yesterday embarked on the difficult process of choosing a new parliamentary leader - and hence the party's candidate as prime minister – after it emerged that Congress was the only party able to head a governent in the wake of the general elec-

A proposal under active consider-ation last night was for a new Congress-led government to be headed by a collective leadership. Under this Mr Narasimha Rao, 70, the party president, would become prime minister. But a large part of his respon-sibilities would be shared by Mr Sharad Pawar, the chief minister of Maharashtra, and Mr Arjun Singh. the Congress leader in Madhya Prad-

The proposal was put forward by former associates of Mr Rajiv Gandhi, the former party leader who was assassinated three weeks ago, as a way of temporarily shelving the dispute over the leadership and

¬ WO MONTHS ago, every

about the country's balance of pay-

ments crisis. None foresaw that it

would become so acute that the gov-

ernment would stop companies from issuing letters of credit for their

Some sectors, particularly the diamond industry, find themselves in a Catch 22. Rough diamonds cannot be

imported because the government will not release the foreign exchange

to do so and without this the exports

of polished diamonds are plummet-

"Last year India's diamond

exports crossed Rs48bn (£1.4bn). This year this figure will drop by a mini-mum of 30 per cent," forecasts Mr Jatin Mehta, chairman of Su-Raj Dia-

imports of raw materials.

Pakistan

hopeful on

phone deal

THE PAKISTANI government was optimistic yesterday about international interest in the

planned privatisation of the country's telephone utility,

after at least 50 representatives

of banks, telecommunication

sions attended its first informa-

tion meeting on the sale in

Applications to buy control

of Pakistan Telecommunica-

tions Corporation (PTC) are

due next month. Companies

Mr A.G.Kazi, chairman of

the government's telephone

privatisation committee said

that details of the corporation's

financial position would be

given to interested investors

on June 30. PTC earned a gross

1990-91.

profit of PRs9.51bn (£250m) in

Mr Kazi said the government

wanted to sell at least 51 per

cent of the company to the pri-vate sector, while a portion of

the remainder would be offered

to employees. The new owner of PTC would be given a

monopoly for a period of some

years, agreed in consultation with the government. There

would also be the benefit of a

recently introduced three-year

son, and Telecom Australia.

Islamabad yesterday.

companies and foreign mis-

By Farhan Bokhari

in Islamabad

Indian businessman, politi-cian and civil servant knew

accelerating the formation of a gov-Another party leader with ambi-tions to the post is Mr Madhavrao Scindia, the former railway minister, who is seen as a leader of the

who is seen as a leader of the younger generation in the party.
On the basis of computer projections, Congress was expected to win 215 seats of the 511 being contested and its allies a further 15. The Hindu revivalist BJP party led by Mr LK Advani was forecast to obtain 114 seats and the loose National Front/ Left Bloc alliance more than 130 Left Bloc alliance more than 130. Congress seemed last night to be preparing to go ahead with the for-mation of a minority government in advance of detailed negotiations with Janata Dal, led by Mr VP

Singh, the former prime minister,

and the communists - both mem-

bers of the National Front coalition

- on what support they would

extend to a Congress government.

Mr Jyoti Basu, the communist chief minister of West Bengal, ruled

out his party joining the government but said that it would support Congress from outside on specific

It emerged yesterday that though Congress was likely to win about 18 more seats than it held in the 1989 parliament, its share of the national vote dropped by about 2 per cent to

37 per cent.
The drop was sharpest in the two largest states of the country - Uttar Pradesh and Bihar - where it fell to less than 20 per cent of the vote. In these two states, which were a traditional bastion of the Congress, its representation in the new parliament is likely to drop to a single seat - Amethi in Uttar Pradesh where Mr Gandhi was standing.

Congress's final showing was also boosted by the impact of Mr Gandhi's assassination on its followers who turned out in larger numbers to vote for the party in the two rounds of polling after his death. from a 15 per cent swing against the party in Uttar Pradesh in voting before Mr Gandhi's murder, this was reduced to 6 per cent three weeks later. In Madhya Pradesh a 4.8 per cent swing to the Congress in May was increased to a 10.5 per cent swing in June.

swing in June.

By contrast the BJP, which was the only party to make substantial gains in the election, did less well in winning seats than it did in strengthening its share of the national vote. None the less the BJP emerges as the main party of north-ern India with over half the parliamentary seats in Uttar Pradesh.

As the result of the differing trends between the regions, Con-gress has emerged as by far the larg-est party in the south and west of India: the BJP emerged strongly in the north and in the western state of Gujerat where it obtained 51 per cent of the vote: and Janata Dal is virtually confined to Uttar Pradesh



Election scoreboard outside a New Delhi newspaper yesterday

cent, gross profits by 21.2 per cent and net profits by 10.8 per cent. However, most companies are however, most companies are beginning to introduce production cuts, and few analysts expect six monthly results due in September to be anywhere near as good. Delayed projects, deferred budgets, over-stretched and outdated policies: all these ensure that the lights appear forever amber in the Indian corpo-rate sector.

governments have put policy decisions on hold, afraid that if they initiated a big economic reform programme, their authority would be immediately challenged. As India awaits the formation of its next administration, the only certainty is that whichever party comes to power, unpleasant decisions will have to be taken.

"There is no point in being too optimistic," says Mr Mehta, voicing

#### **Mahathir** offers new policy initiative By Lim Slong Hoon

in Kuala Lumpur

DR Mahathir Mohamad yesterday sought the Malay-sian parliament's approval for a national policy initiative that would cap 10 years of his ten-ure as prime minister and set

the agenda for the next 10. The Second Outline Perspective Plan (OPP2) seeks no budget or endorsement of any laws. Instead, it aims to reaf-firm what have been stated intentions so far, as well as translate them into economic and social targets for the coming decade.

Agriculture is projected to fall from 18.7 per cent of GDP last year to 13.4 per cent in the year 2000; manufacturing to rise 10 percentage points to 37.2 per cent; poverty to be reduced from 17.1 per cent of the population to 7.2 per cent, and real income per person lifted by 57 per cent to M\$6,800

(£1,465) a year. But national attention yes terday focused less on the plan than on the policy outlining the principles to govern the country's ethnic relations and implementation of the New Development Policy (NDP) which will direct the country's economic course in the way the New Economic Policy has

in the past 20 years.

Much of the policy is simply the resolution of conflicting ethnic politics, reached in private within the ruling National Front coalition, especially between its Chinese and Malay components. The two communities make up, respectively, a third and half of the 17m popu-

But Dr Mahathir proclaimed the occasion an historic event, saying the new policy would end ethnic quotas which dic-tated national life between 1971 and 1990. The Chinese have chafed at the way the NEP was implemented, and have questioned official statistics by which levels of equity owner-ship in local companies were measured annually against the

NEP target.
Over 20 years, the proportion of corporate ownership by Malays and natives rose from 2.4 to 20.3 per cent, still well short of the 30 per cent target. The share of other Malaysians exceeded the 40 per cent goal to reach 46.2 per cent, while the foreign share dropped from

63.3 to 25.1 per cent. Nominee companies held 8.4 per cent. This national obsession with quotas is intended to dwindle under the new policy. Indiscriminate distribution of wealth which is immediately frittered away not only but did lasting damage by creating a dependent society which cannot be managed without continuous government support, Dr Mahathir said. Yet he claimed the NEP was "one of the greatest poli-

"basic strategies".

This contradiction reflects the still unequal position of the bumiputra (Malays and natives), balanced against the

Under terms advertised earlier, potential investors are required to submit applications by July 15. The company at present serves almost 1m clients, but there is a potential for fast expansion since another Im are waiting for phone connections, officials

Pakistan's population totals 110m: only 1 per cent of Pakistanis have access to a phone, compared with an estimated average for Asia of 3.27 per cent and a global average of 9.35 per cent.

#### **US-China** arms talks 'difficult'

US officials indicated yesterday that current talks with China on arms control were difficult and said they would be extended, agencies report.

Mr Reginald Bartholomew the under-secretary of state who arrived in Beijing on Sunday, will hold an additional session today with Liu Huaqiu, China's vice-foreign minister. Meanwhile a Bangladeshi official said Mrs Khaleda Zia, prime minister, would ask China for modern arms when she visits Beijing today.

monds India, a leading diamond exporter.
Political uncertainty has compounded the problem. "Many compa-nies have adopted a wait and watch

attitude, expecting that as soon as a new government is sworn in there will be major changes." says Mr Hemendra Kotharl, president of the Bombay Stock Exchange. The hope of a more liberal regula-

tory environment has led to several companies deferring their expansion programmes. The cautious approach is similarly evident in the sudden drop in public offerings over the last

Normally, almost Rs7bn would be raised during April and May on the Indian capital markets. This year the figure has dropped to Rs4.8bn.
Reliance Industries, a member of

to topple last

finally rid itself of apartheid, President F.W. de Klerk said yesterday, when making his

final key speech to the current

session of the white-dominated

Mr de Klerk spoke shortly

after parliament voted to

repeal the Population Registra-

tion Act, the last remaining

statutory pillar of racial segre-

sitting at the end of one of the

momentous South African parliamentary sessions that the halting of race classification

under the Act ended an era

when the lives of all South

Africans were affected in the

minutest detail by racial laws.

disparagement and denial which so often were the conse-

quences of the legislation we

are repealing. Everybody is liberated from the moral dilem-

mas caused by this legislation

which was born and nurtured

under different circumstances

in a departed era." All that

remained now was for a new constitution to be drawn up.

He was confident this process

could begin before the end of

the year, with the setting up of

The Conservative Party and

a multi-party conference.

"Everybody is free from the

parliament.

**South Africa votes** 

pillar of apartheid

HISTORY would record 1991 as other right-wing groupings the year in which South Africa were urged to involve them-

selves in the negotiation pro-

cess. They could only protect

what was dear to them if the humanity and basic rights of

all South Africans were fully recognised. "You cannot build

a safe and secure future on a

denial of the rights of the per-

manent and irremovable

majority of the population."
He pledged that community

education and the protection of minorities would all be built

into a new dispensation. The

government had not embarked

on its reform initiative to

achieve foreign approbation,

but "one may expect further international developments to

follow if anything like morality

exists in international politics

- a reference to the hoped-for

The African National Con-

gress "should cease presenting itself as a semi-military move-

ment" and concentrate on

those matters and activities

which befit a political party,"

removal of sanctions.

the cash-strapped Ambani group, is one of the rare companies planning a big issue. The controller of capital issues is currently considering Reliance's application to raise Rs9.2bn from exchanges which are becoming singly bearish.

For once, government-owned public sector companies are equally affected by uncertainties which traditionally dog the private sector.

At the domestic level, an ambitious move to divest 20 per cent of the equity of a few select public sec-tor companies has been put on the back-burner. This will inevitably

delay crucial expansion plans. The Indian Petrochemicals Corporation, for example, is counting on public-sector financing for a Rs2.8bn petrochemical complex. On an international level, the downgrading of

India's creditworthiness by agencies such as Moody's and Standard & Poor's will similarly affect the abil-ity of these companies to raise the foreign funds they will require

According to Mr Pradip Shah, head of Crisil, India's sole credit rating agency, the situation is not as bad as it sounds. "The key issue is the price [of loans], India can forget about the earlier 20-50 basis points above Libor. Those days have gone," he says. When there is no lender at any price, these words are definitely Not all the news is bad as some

companies have announced bumper results. One recent study of the results of 175 companies in the pri-vate sector for the year ended in March shows that sales rose 19.2 per

For the last two years three shaky Help sought for 13 sentenced to death for alleged collaboration

# Jordan pleads for Palestinians in Kuwait

By Victor Mallet in Kuwait City

JORDAN has called for out in court have been widely international action to save Palestinians with Jordanian citizenship who have been sentenced to death in Kuwait for allegedly collaborating with Iraq during the recent occupa-

Mr Mutassem Bilbeissi, secretary general at the Jordanian Foreign Ministry, said letters appealing for help had been sent to the US, Britain, France, the UN, the Arab League and the UN, the Arab League and international humanitarian organisations.

At least four of the 13 people sentenced to death by Kuwait's ians. The punishments meted seven-month occupation of to Mr Javier Pérez de Cuèllar, forces in recent weeks.

criticised outside Kuwait as being unduly severe. However, Kuwaitis are bitter about the small number of Palestinians residing in Kuwait who did side with the Iraqis, and about Palestinian support for President Saddam Hussein throughout the Arab world.

Many Kuwaitis believe that Sheikh Jaber al-Sabah, the Emir, will eventually revoke the death sentences. Six people, including a Kuwaiti woman, were sentenced to death on Saturday for working for al-Nidaa, an Iraqi propa-

Peace Now said.

Kuwait. The paper carried numerous articles denigrating the al-Sahah family, who have ruled Kuwait since 1756. "We feel very bitter and dismayed about what is happen-ing in Kuwait," Mr Bilbeissi

told Reuter in Amman. "We cannot believe what is happen-ing there." The Jordanian letters call for intervention to save Jordanian nationals and for fair trials. The Moslem leader of Jerusa-

lem, Sheikh Saad el-Din Alami, was also reported as appealed for commuting the sentences of the 12. He told local newspageneral, and Ismat Abdel Meguid, the Arab League's secretary, to intervene with Kuwait. Western embassies in Kuwait and human rights

the United Nations secretary

organisations have urged the Kuwaiti government to stop the persecution of Palestinians. Sheikh Saad al-Sabah, the Crown Prince, has admitted that there have been abuses. The 150,000 Palestinians

remaining in Kuwait have a number of grievances - many civil servants have been sacked - but they report bet-

# Israel peace group fears settlement drive

ISRAEL plans to increase tenfold the Jewish population of the occupied Gaza Strip and of several West Bank settle-ments with a new building boom, according to an Israeli peace group, Reuter

reports from Jerusalem.

Documents from the Housing Ministry obtained by the non-partisan Peace Now movement suggest that Israel has ear-marked lands in the occupied West Bank for five new Jewish settlements and has plans to expand existing ones there and in the Gaza Strip.

Mr de Klerk added.
Reuter reports from Washington: The US State Department said that before any lifting of sanctions, it wished to ensure Documents sent to Reuters stated that 16,100 housing units were to be built in the West Bank's Hebron area. This would increase the Jewish population there to about 80,000 from the current 8,000, that all political prisoners had

according to Peace Now.

Another 13,550 housing units would be built in Gaza, currently home to about 4,000 Jews. The new units would boost the number of Jews there to at least 50,000,

"Ten times more people will be in the Gaza Strip and in the Hebron area. It's not clear how long it will take. The plans are on the board to start construction immediately," said Mr Kran Hayet, Peace

"The idea is based mainly on expanding existing settlements, but the documents indicate sites have been chosen for new ones too," Mr Hayet said, naming the five planned West Bank enclaves.

Currently, some 100,000 Jews live in

fortified enclaves among 1.75m Palestinians in revolt in the occupied territories. About 750,000 of the Arabs live in the impoverished, overcrowded Gaza Strip bordering Egypt.

israel's ruling Likud party meanwhile plans to renounce an old claim to land on both sides of the Jordan River, saying it wants to show Amman it is serious about peace, a Likud spokesman said. "We don't want a conflict with Jordan

we want a peace agreement. We don't want to threaten King Husseln. We want to advance peace," Mr Gil Samsonov

"Likud has no aspirations beyond the Jordan River," he said.

government's desire to privatise and promote private invest-ment. Privatisation has spawned some of the country's largest Malay-owned conglom-erates. "Ten years ago you could not find a bumiputra company to do business; today there is no problem," says an executive for GEC Alsthom, the European power engineer ing group.

# Canberra may block mine plan

By Kevin Brown in Sydney

AUSTRALIA'S Coronation Hill mining project looks likely to be blocked by the federal cabi-net today, after Mr Bob Hawke, prime minister, gave strong public support to Aboriginal opponents of mining.

Mr Hawke's comments indicated he will make the cabinet debate on Coronation Hill a test of his leadership, following his defeat of a challenge by Mr Paul Keating, the former fed-eral treasurer, earlier this

Most cabinet ministers are believed to favour development of the project — a gold, plati-num and palladium mountain adjacent to Kakadu National Park in the Northern Territory. But many would feel obliged to support Mr Hawke if he chooses to treat the issue as a vote of confidence.

Supporters of the project say a ban on mining would signal that the influence of Labor's left has increased following its

support for Mr Hawke in the leadership battle. A ban would also be seen as a defeat for Mr John Kerin, former primary industries minister, who replaced Mr Keating as treasurer. Mr Kerin has made his support for the project clear, and warned it was seen as a "totem" by the business com-

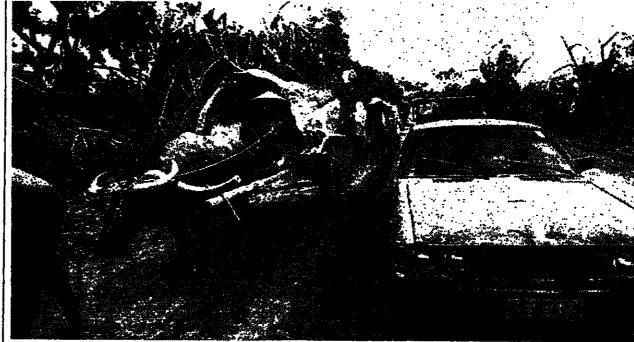
A consortium of Australian, US and Malaysian mining companies has been trying for several years to win permission to develop Coronation Hill, which was mined for uranium in the

munity.

A government inquiry said there were no environmental grounds for blocking develop-ment, but concluded some of the 650-strong Jaowyn Aborig-ine tribe believed mining would trigger cataclysmic action by a spirit resident in the hill. Other Jacowyn have claimed the site has no religious significance, and have campaigned for mining to be Mr Hawke compared the

Jaowyn beliefs to the mysteries of Christianity, Australia's majority religion, and said it was "an enormous presump-tion" for some to say the Jaowyn were not rational. His comments increase the likelihood of a permanent ban on mining at Coronation Hill, followed by the incorporation of the area into Kakadu National Park.

But supporters of mining argued that it should be approved subject to agreement with the Jaowyn. A third option put forward by Mr Bob Collins, a Northern Territory MP, would delay a decision until the conclusion of a pend ing land claim by the Jaowyn under legislation giving Aborigines some rights over land with which their tribes were associated before European settlement.



Residents of the north Philippine town of San Fernando yesterday flee their homes after a series of eruptions by Mount Pinatubo

# LONDON STANSTED

DAILY **FLIGHTS** 

PHONE RYANAIR ON 071-435-7101 OR YOUR TRAVEL AGENT

**BUSINESS CLASS** 

# Philippines to seek loans for volcano damage

THE Philippines is expected to seek fresh loans from noncommercial lenders to finance reconstruction and rehabilitation of areas affected by the erupting Mount Pinatubo, Greg Hutchinson reports from

Mr Romeo Bernardo, finance under-secretary, said a final decision depends on the extent of the damage, which may take some time to assess. To speed

the process, the Asian Development Bank (ADB) is likely to provide a technical assistance grant soon.

The volcano has killed at least 63 people by official esti-mates and more than 200 according to other reports, since erupted nine days ago, after being dormant for six

The weight of accumulated ash has made hundreds of build-

ings collapse. Mud flows have swept away whole villages, and made many roads impassable. The government is likely to seek an amount rather more modest than the \$562.8m (£342.8m) committed by the country's bilateral and multilateral creditors for rehabilita-tion and reconstruction follow-

ing last July's earthquake.
The quake caused immense damage to public and private

cano, its epicentre was in central Luzon, which has had difficulty, it appears, spending the money its officials so eagerly sought.

A finance department report yesterday showed that only 60 per cent of the earthquake funds had been disbursed as at May 2 this year. The slow pac of disbursement has perturbed

offers by policy initiative

# We're Becoming More and More European.



With our new flights from Copenhagen, Manchester and Berlin, we now fly from twelve European cities and six countries to the United States.

Which makes us almost as European as café au lait.

And once you fly with us you'll quickly appreciate why, for the past 17 years, Delta has achieved the best record of passenger satisfaction among all major U.S. airlines.\*

And, unlike many European carriers, once you arrive in the States we keep looking after you.

Our modern and efficient gateways at Atlanta, Cincinnati, Dallas/Ft. Worth and Orlando mean you're not left in a long line waiting to clear ground formalities.

And our extensive U.S. network allows us to keep on serving you to over 240 cities across the country.

At Delta we love to fly. Once you've flown with us we believe you will too.

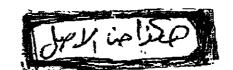
Bon Voyage.



Delta offers service to the U.S.A. from Denmark, England, France, Germany, Ireland, and the Netherlands. Manchester service begins June 27.

CALL DELTA IN LONDON OR MANCHESTER ON 0800 414 767; IN DUBLIN 794744, OUTSIDE DUBLIN, ASK FOR FREEFONE DELTA; IN PARIS (01) 47 68 92 92; IN COPENHAGEN 8001 01 70; IN BERLIN (030) 882 4881; IN FRANKFURT (069) 668041; IN MUNICH (089) 1299061; IN STUTTGART (0711) 296144; IN HAMBURG AND IN ALL OTHER GERMAN CITIES (0130) 2526; IN AMSTERDAM (020) 6010099; IN BRUSSELS (02) 11-86-11 (DUTCH) OR (02) 11-87-66 (FRENCH); IN VIENNA (0222) 484 295; IN MILAN (02) 204 1296; IN ROME (06) 4814445; IN LISBON (01) 527845; IN MADRID (91) 248 8130; IN STOCKHOLM (08) 796 9600/9400; IN GENEVA (022) 731 75 10; IN ZURICH (01) 816 4245.

\*Based on consumer complaint statistics compiled by the U.S. Department of Transportation. @1991 Delta Air Lines, Inc.



#### **AMERICAN NEWS**

# Congress may curb inward investment

By Peter Riddell, US Editor, in Washington

FOREIGN investors face two dozen bills in Congress which threaten to restrict their freedom to operate or expand in the US, though a proposed ban on political activities by their American subsidiaries has

been rejected.

Both the number of proposed measures and the seniority of their congressional sponsors shows the increased domestic concern about foreign take-overs, particularly of high technology groups by the Japa-

nese.
Several of the measures are aimed at tightening the Exon/
Florio law which monitors such acquisitions on national security grounds. Leading Democrats have argued that the present procedures have failed to block foreign takeovers of key technologies.

Their latest bill would broaden the criteria used in assessment to include the impact of the deal on "the industrial and technology base of the US," would authorise the attachment of conditions to chairmanship of the interagency group on foreign investments from the pro-open investment Treasury to the Commerce Department.

The bill, proposed by Congresswoman Cardiss Collins, chairman of the House sub-committee on commerce, concommittee on commerce, con-sumer protection and competi-tiveness, with the backing of Congressman Richard Gephardt, the House majority leader, is strongly opposed by the Treasruy, which has threatened a veto. The Federal Election Com-mission has, however, voted by

mission has, however, voted by four to two against a staff recommendation to ban US corporations with more than 50 per cent foreign ownership from running Political Action Committees which are involved in politics and make

The change, already rejected in Congress, would have placed large foreign-owned US groups at a disadvantage compared

with their competitors.

The commission ruled that the current law was adequate to protect such committees

# Gorbachev 'positive' about Start talks

By Peter Riddeli

yesterday that he had received "a positive response" from Soviet President Mikhail Gorbachev to US proposals for reaching agreement on a treaty to reduce strategic nuclear weapons (Start).

Both the US and the Soviet Union are committed to reach an early agreement, before a summit meeting in Moscow this summer of the two presidents. The White House has refused to be pinned to a date until important problems on multiple warheads and on veri-

Mr Bush said yesterday he had received "a very impor-

PRESIDENT George Bush said tant" letter from Mr Gorbachev at the weekend. "The tone was good, the determination to reach agreement was positive. and we're looking very closely at the details," Mr Bush added. Mr James Baker, US secretary of state, and Mr Alexander Bessmertnykh, Soviet foreign

minister, are to meet in Berlin

this week to resolve these dif-Mr Bush could not say when talks to open the way for the Moscow summit would be concluded. Dates at the end of June and July were open, he said, but White House officials have recently been hinting at a

#### Antarctic protection agreement 'put at risk'

A US PROPUSAL to weapen planned ban on mining in Antarctica could block an agree-A US PROPOSAL to weaken a ment to protect the continent, delegates to a meeting of Ant-arctic Treaty signatory nations said yesterday, AP reports from Madrid.

from Madrid.

The meeting was intended to culminate with the signing of an environmental protocol on June 23, three decades after the treaty took effect. But several key delegates said an accord would be difficult. "I think everyone wants to reach agreement by the end of the week. I'm just not very optimistic." Mr Curtis Bohlen. US delegation chief, said.

In April, the 39 signatories agreed in Madrid to seek government approval for a draft protocol to the treaty that included an indefinite ban on non-scientific mineral exploration. But the US said last week

non-scientific mineral explora-tion. But the US said last week it could not accept the mining provision. Its proposal would allow any of the treaty's 26 current voting members to opt out of the ban after 50 years. Ecologists and delegates of nations favouring a permanent ban said the US position rewre-

han said the US position repre-sented a step backwards for the protection of Antarctica. "We're disappointed," said mr John McCarthy, Australian delegation head. "This new element causes complications. We would see it as not being productive." Australia, France, Italy and several other voting members initially favoured a permanent ban on mining. It was unclear how many nations attending the meeting would side with the US.

Mr James Martin-Jones, World Wide Fund for Nature representative, said he thought the US proposal was "outrageous". He would urge signatories to postpone their decision until a scheduled October meeting in Bonn. Mr Bohlen said the US had

not changed its original posi-tion against a permanent min-ing ban but wanted to ensure it could be lifted some day if the "great majority" of voting members agreed. The Antarc-tic Treaty was signed in 1959 by 12 nations, seven of which maintain territorial claims. It banned military bases, weapon tests, and guaranteed freedom of scientific research.

# Peru attracts HK investors | Taylor's crypt opened

By Sally Bowen in Lima

A GROUP of Hong Kong businessmen has deposited \$10m with a Lima bank as a guarantee of its interest in guarantee of its interest in acquiring shares in the Peruvian state airline, Aeroperú.

The delegation, with representatives from nine Hong Kong companies, is also interested in establishing textile factories in Peru's free trade zones. Also, it wants to set up a commercial bank specialising in loans for cheap housing.

A deposit for an undisclosed sum has already been made for

sum has already been made for the acquisition of a Peruvian

would have capital backing of \$100mn, according to the deleattornin, according to the dele-gation leader, Mr Sam Wong. The Hong Kong group intends to put up the money for much-needed modernisation of Aeroperu.
"We are making this invest-

ment because we are con-vinced of the enormous

resources and potential Peru offers," said Mr Wong after talks with President Alberto Fullmori.
The Hong Kong move came only days after the Peruvian

sale last week, by public auction on the Lima Stock Exchange, of state-held shares in Sogewiese, a leasing com-pany, was highly successful. Nearly 60 new shareholders acquired the state's holdings for more than \$1m. Mr Alberto Sacio, Aeroperú chairman, has denied that the

government will sell all the air-line company. The World Bank is advising on valuation of its routes and, says Mr Sacio, various other airlines, including Ibéria and Lufthansa, are also government had started its pri-vatisation programme. The interested in acquiring a share in the Peruvlan carrier.

to test poison theory

THE remains of President Zachary Taylor were removed from a crypt yesterday to check on an author's theory that the 12th US president was poisoned, AP reports from Louisville.

The flag-draped coffin was taken from the Zachary Taylor National Cemetery to the Kentucky Medical Examiner's Office for tests.

Taylor's cause of death was listed as gastro-enteritis follow-ing his sudden illness and death almost 141 years ago.

Ms Clara Rising claims Tayspread of slavery into the Southwest and did not die of natural causes.

If her theory were proved, history books would have to be rewritten to show that Taylor - and not Abraham Lin-coln - was the first US president to be assassinated Ms Rising persuaded Jeffer-son County (Kentucky) Coro-ner Richard Greathouse to

open Taylor's crypt to test his remains.

Ms Rising believes the symptoms of Taylor's sudden death on July 9, 1850 were consistent

# Salinas gets tough on human rights abuses

Damian Fraser on the Mexican president's promise to stamp out police excesses

E WILL not permit the abuse of author-ity," Mexico's Presi-dent Salinas de Gortari said last week in one of his toughest speeches yet on Mexico's brutal police methods.

"We will fight impunity and incompetence all the way to assure respect for human rights." he said.

Such speeches by Mexican

presidents are to be expected. but in the past have done little to alter Mexico's human rights record. As Americas Watch, the human rights organisation, pointed out in a report last June, "torture is endemic" in Mexico, "practised by most if not all branches of the federal and state police.

President Salinas has taken steps to change this. A year ago he set up a National Human Rights Commission (CNDH) to investigate human

In February the government overhauled Mexico's penal code; last month the president in effect fired his attorney general for not doing enough to protect human rights; early this month the successor announced a substantial reform of the Attorney's General Office (PGR), setting up an anti-corruption unit to make the police more accountable to the public. The CNDH undoubtedly has

had the most noticeable impact so far. Set up in the wake of the murder of the human rights activist Norma Corona, and the impending Americas Watch report, it has been sur-



President Salinas de Gortari: attempting to grasp the human rights nettle

prisingly tough in its criticisms of the state governors and the Attorney General's office -given that it is legally part of Governacion (the interior min-

istry).
The commission made some 84 recommendations in its first year, 36 of which have been accepted by the relevant authorities. It has accused the PGR of being "the biggest (human rights) offender, say-ing it had frequently obstructed or undermined the

CNDH recommendations.
It championed controversial

but whom according to the Fuentes the novelist (an commission was physically incapable of committing the

crimes he is charged with.
It has put mounting pressure on the prosecutors to find the murderers of Norma Corona and has pointed the finger at the PGR for murdering the three brothers of the Quijano family, supposedly in retalia-tion for the murder of two PGR agents by a fourth Quijano

The CNDH has limited powers - all it can do is to recom-It championed controversial mend to governors or prosecu-cases, such as that of Mr Antonio Valencia Fontes, a lawyer who has been held in prison for cocaine trafficking.

adviser to the commission) says, "it has done things unthinkable a year ago; no-one else would have defended the lawyers of drug barons or those tortured by federal police." Now that the commission is established, says Mr Fuentes, the "corrupt elements

of the police force now fear that they are being watched." It is too early to tell what the effect of this will be, but there is no doubt that the CNDH, under fiercely independent leadership of Mr Jorge Carpizo, former rector of Mexico's national university, has gained wide respect, and much increased public awareness of

human rights abuses.

The commission has also successfully pushed for the reform of Mexico's penal code. Crucially, interrogations of suspects can, in theory, now only be carried out by prosecu-tors, and not by police, as had been common. Confessions do not now have legal value suspect's lawyer. The police should now have little incentive to torture suspects to

The president, by all accounts genuinely shocked by the murder of Norma Corona, a university professor, and president of the Independent Committee for the Defence of Human Rights in Sinaloa, appeared determined to bring the perpetrators to justice. Similarly last week he hinted that any member of the government that does not co-oper ate fully with the CNDH will, like Mr Enrique Alvarez del Castillo, the former Attorney

General, lose his job.

Most human rights activists,
such as Ms Mariclare Acosta, of the Mexican Commission for the Defence and Promotion of Human Rights, and Mr Fuentes, believe instead that human rights can only be per-manently safeguarded if Mexico's judiciary and legisla-ture are given sufficient inde-pendence and power to scrutinproperly the executive, and

The present government. however, has shown no signs of wanting to sign away its

## INTRODUCING THE U.K.'S NEWEST WORLD-CLASS INSURANCE BROKER, **JOHNSON & HIGGINS U.K. LTD.,**



#### AND A FEW WELL-PLACED THE UNISON PARTNERS

Today, Johnson & Higgins U.K. Ltd. opens its London headquarters to serve the business insurance needs of organizations operating in the United Kingdom and Ireland. At the same time, Johnson & Higgins U.K. takes its place in the UNISON global network as partner for U.K. operations, joining these UNISON members in Europe. Boels & Bégault, Belgium Johnson & Higgins, United States & Italy

Bonnor & Company, Denmark Gil v Carvajul, Spain Gras Savoye, France Grieg Insurance, Norway lauch & Hübener, Germany

Kessler & Co, Switzerland Max Matthiessen, Sweden Mees & Zoonen, Netherlands. Mercury Insurance Agencies, Greece

Now there are UNISON partners to serve you in every EC member nation; UNISON partners to serve you throughout Europe, West and East, and the Soviet Union; UNISON partners to serve you in North, Central and South America and throughout the Pacific

To get us or any UNISON partner working for you, simply call Johnson & Higgins U.K. at (+i71) 945-7700.



PUBLIC SPENDING

# Pre-election tax cuts under threat

Lloyd's members offered solace by phone

Tax relief plan puts MPs into voting dilemma

on such a proposal, there could be an immediate debate and decision as to whether their their their their their be willing to support a move

By Philip Stephens, Political Editor

THE UK Treasury is expected to allow a significant increase in public spending limits for the financial year starting next

April.
This follows additional spending bids from government departments amounting to more than £10bn. These cast doubt on whether

the government can meet its borrowing targets and may rule out the prospect of tax cuts in next year's budget. They were expected to pro-vide the launch pad for the Conservative party's general

election campaign. Negotiations on the bids, which will last until the autumn, will highlight the difficulties faced by Mr John

Major in balancing a commit-ment to control spending and borrowing with pre-election pledges to improve public ser-vices.

Treasury controls are tradi-tionally relaxed in the run up

By Richard Gourlay

Lloyd's of London welcomed

its own Good Samaritan yester-day who will assist the grow-ing number of Names, individ-nals who back underwriting on

the insurance market with

their personal wealth, facing financial distress.

With the help of one tele-phone and an answering machine in Lloyd's old Lime

Street building in London's financial quarter, Mrs Valerie

Robinson, a member of the Council of Lloyd's Hardship

Committee, is offering solace

on behalf of the Association of Lloyd's Members to individuals

MEMBERS of Lloyd's

insurance market who are also MPs could find their votes

challenged if they intervene in the House of Commons on any

government plans to provide

extended tax relief for Names.

that no decision to enable

Names to claim rétrospective

tax relief for three years

instead of one had been taken.

The issue is certain to be

Ministers insisted yesterday

By Alison Smith

to an election, but the scope this year has been reduced by the prospect of an overshoot in mally at least, the Treasury borrowing and the need to underpin sterling's position in the Exchange Rate Mechanism. A sharp rise in unemploy-ment, expected to cost some £2hn in extra benefits both this year and next, has also shrunk the the Treasury's room for

Along with other commit ments - ranging from increases in child benefit and extra money for British Rail, the national rail network, to higher-than-expected pay awards in the health service and armed forces - the higher jobless total will effectively who out this year's 13.5hm contingency reserve. It will also pre-empt much of £7bn avail-

able for next year.

Spending ministers are citing pre-election pressures and Mr Major's plans for a Citizens Charter to guarantee the qual-

£250,000 but are bracing for

heavy losses as Lloyd's faces its first loss since 1967.

to receive calls for extra cash from the syndicates that make

up Lloyd's and which next

week are together expected to announce losses of at least

£300m for 1988, their latest

reporting year.
The new helpline passes the

most serious cases of distress on to the Lloyd's hardship

Mrs Robinson said that in

the event of Names falling to meet a cash call, they would often be allowed to remain in

raised in debate on the finance

bill committee, however, as one Conservative MP has put

down an amendment to give Lloyd's extended tax relief. It may also come to the Com-

mans as a whole.

A scarcely-used procedure means that if any of the 60 or so MPs who are Names voted

These Names are beginning

insists that the sharp fall in inflation should allow departments to stick to existing bud-

Falling inflation means that the pressures are not as great as in 1990 - when £8bn was added to the target for this year. Senior Whitehall officials acknowledge, however, that the figure of £221bn pencilled in for 1992/93 will have to be

The largest bids come from social security, health and edusocial security, health and edu-cation. Together they are thought to approach £7bn. The department of environment has submitted two bids together totalling more than £2bn - the first to hold down next year's poll tax bills and the second for spending on housing, urban regeneration housing, urban regeneration

their house, "until they die", with a modest income.

For many people this would involve a substantial adjust-

ment of their lifestyles.

The problem was that a

number of Names had re-mort-

gaged their houses as collateral

for guarantees lodged with Lloyd's.

try to release Names from these guarantees, Mrs Robin-son said.

from retired people who are worried that cash calls from loss-making syndicates will deplete the capital from which

House of Commons authorities confirmed yesterday that

while there are no circumstances in which MPs are prohibited from voting, any other MP who thinks they have a direct interest in the matter

can move that those votes be disallowed.

votes should stand.

In some cases Lloyd's would

There were a number of calls

health secretary, needs between £1.5bn and £2bn to prevent a financial crisis in the NHS in the wake of the recent political furore over the health

service reforms.

The cost of the decision to index child benefit will more than double next year, which along with higher unemploy-ment benefit points to a bid from the social security department of more than £3bn. Mr Kenneth Clarke, the

health secretary, meanwhile has already committed the government to much higher teacher's pay and is seeking substantial additional resources for higher education. The cost to the ministry of

defence of Britain's contribu-tion to the Gulf war will be largely covered by payments from other governments, but the Home Office and employment are among other departand the environment. ments which he Mr William Waldegrave, the stantial claims.

they derive their income

next two as well.

Not only are they and other

Names likely to receive a call for extra cash for 1988, but there may also be additional calls from earlier years and the

There were calls from some of the thousands of Lloyd's Names who wanted to get out but cannot break the Gordian

knot and leave because of the years in which their syndicates

wrote insurance were still

"open". These are years where the

underwriters can not assess future liabilities and therefore

which put Lloyd's on an equal

footing with other companies, some Labour backbenchers

have already made it clear that they would oppose any pro-posal to "bail out" Lloyd's. The finance bill already pro-vides for small businesses to

claim retrospective tax relief

for three years, but at present Lloyd's Names are treated as

individuals rather than compa-

nies for these purposes.

#### **BRITAIN IN** BRIEF



#### Tandy to set up plant in Scotland

Tandy Corporation of the US is to set up a £2.7m computer mamfacture and repair plant in Scotland at East Kilbride,

in Scottain at East Knowne, Strathclyde.

The plant will supply personal computers for the European market of Tandy's European subsidiary, Victor Technologies. Victor Technologies is a Swedish company, acquired by Tandy in 1989, which supplies computers and peripheral equipment in Europe.

Mr Uif Kricsson, president of Victor Technologies, said the company's strategy was to design and make more of its products in Europe.

#### Water licences to be amended

Proposals to amend water company licences to ensure that diversification cannot harm the core businesses of providing water and sewerage services have been published by the Office of Water Services (Ofwat), the industry's

economic regulator.
All of the 10 water and sewerage companies, and the 24 water-only companies in England and Wales, have engaged in some form of diversification since privatisation late in 1989.

The proposals require water company directors to certify each year that they have available sufficient resources for the proper running of the core business.

#### Mail service is 'best in Europe'

Britain's letter service is better than that of Germany, France, Holland, Italy or Spain, according to the Royal Mail. A performance league

table of the six countries showed Britain with the cheapest first class service and an 86 per cent average score for the number of letters delivered the day after posting

 12 percentage points higher than the Netherlands, the second best performance. Germany scored 68 per cent, followed by 65 per cent for France, 17 per cent for Italy and 15 per cent for Spain.

#### Patten issues Labour warning A return to a Labour

government would see Britain as "the sick man of Europe", Conservative party chairman Mr Chris Patten has warned. Speaking in Walton, the suburb of the north-west city where the parties are lighting a parliamentary by-election, he said Liverpool – currently paralysed by industrial action

 was "a grim example" of what Britain would be like under a Labour government.
 He said a Labour election victory would leave Britain as "a country moving back everywhere else in Europe people are racing for the exit".

#### New car may be built in UK Prototypes of a family car powered by hydrogen from tap water could be in

production in Britain by the end of the year, according to the inventor's London-based representative.
The vehicle, which costs less

than 1p-a-mile to run, was invented by computer and hydrogen expert Dr Roger Billings of Kansas, in the United States. Mr Leonard Holihan,

director of the Advanced Energy Research Institute, said: "Dr Billings believes Britain should have have first crack at this fuel cell technology and so is planning its launch here."

#### Bus workers vote to strike

A majority of the 1,000 workers at London Forest Travel, a London Buses subsidiary, have voted for strike action this week over a proposed 18 per cent pay cut. The changes in working

conditions on its north London routes were proposed by the bus company as part of its cost-cutting measures.



Under threat: staff at one of London's most exclusive clubs, the Naval and Military, contemplate the greatest danger to the club's future since it received a direct hit from German bombs in 1943. The building in Piccadilly has been bought by Kuwaiti businessmen who want to turn it into a luxury hotel. The club, founded in 1862, has 4,500 members who intend to fight any eviction threat. The members claim that the historic traditions of the building would be destroyed by converting it to an hotel

#### Forces likely to Former ICI retain hanging

A move to abolish the death penalty for men and women in the UK armed forces has been opposed by the government. Mr Archie Hamilton, armed

forces minister, told the House of Commons that the death penalty for British service personnel, which is not mandatory, was necessary as a deterrent against treachery in wartime. Under military law,

offenders may by hanged for certain crimes during a time of conflict.

The capital offences: assisting the enemy, obstructing operations or giving false signals, mutiny, and failure to suppress a

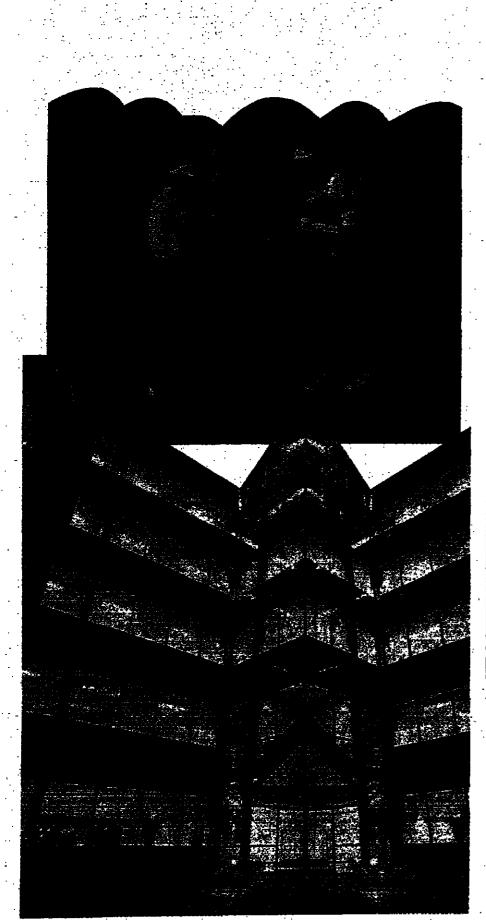
# chairman dies

Sir Rowland Wright, former chairman of Imperial Chemical Industries (1975-78) and of Blue Circle Industries (1978-83), has died at the age of 75.

His three years as chairman of ICI, one of Britain's largest industrial concerns, were the culmination of a 41-year career with the group, which he had joined in 1937.

Sir Rowland's greates contributions to ICI were in personnel management and government relations.

He set up new a new consultation process between ICI workers and management and maintained a good working relationship between the company and the Labour governments of the 1970s.





# Telford. A better place to live and work and enjoy life.

The people of Telford enjoy a tremendous range of facilities in this modern community uniquely sized in the beautiful rural surroundings of the Shropshire countryside. From up to date leisure facilities offering easy access to every kind of sport to the timeless English beauty of the River Severn, peaceful golf courses and the space to follow country pursuits. The companies and people of Telford enjoy more than good leisure facilities though: a variety of town and country housing, a modern office environment, well planned factory accommodation and excellent road and rail communications, all make Telford, a better place to live and work.



TELFORD

# UK banks lose grip on corporate middle market

By David Lascelles, Banking Editor

THE BIG four UK clearing banks' grip on the middle corporate market is beginning to slip, but companies on the whole believe that the quality of service they receive from them has improved in recent

These findings come in a new survey of the smaller busi-ness market by Shearson Lehman Brothers. They appear to contradict many of the charges which were made during the recent row over the alleged cartel-like behaviour of banks - particularly their failure to pass on the benefits of base

The survey suggested that the big clearers had about 60 per cent of the market, which is well below the figure of 80

according to Mr Chris Wheeler, who analyses clearing banks for the securities firm.

They have been losing market share to other UK banks, who now have 19 per cent of the market, and foreign banks with 21 per cent. The names of Société Générale, (France), ABN-Amro (Netherlands) and Citibank (US) were among those most frequently men-

The survey was conducted in April before the recent row about the clearers blew up. It found that medium sized comthe service they received from banks was getting better.

In particular companies looked for quality and effi-ciency in their service from the banks. The pricing of credit was ranked some way behind these two factors in third

Only 24 per cent of the respondents thought that the overall level of service had deteriorated over the last five years. The bank which came out of the survey best was Bar-clays, though on the narrower evaluation of pricing and availability of credit TSB did best. The banks which came out worst were Midland and Standard Chartered.

The survey was based on a representative sample of 100 medium sized companies in England, Scotland and Wales. Shearson hopes to make the survey an annual feature.

Report available from Shearson Lehman Brothers, One Broad-

# Pantomime fails to stop the curtain rising on Ulster talks

By Raiph Atkins in Belfast

THE SILVER chauffeur-driven limousine of the Rev Ian Paisley, the bulky Democratic Unionist leader, was away less than a hour, speeding through Belfast in search of intelligence from Australia.

His mission was a matter of great principle, of symbolic importance, of such urgency that it could not be communi-

cated by fax or telephone. Historic talks on Northern Ireland's future - the first for 16 years - had to wait the end of the pantomime. Something

approaching normal politics finally returned to Northern Ireland at 12.52pm yesterday. Unionist approval, based on world-wide research, allowed Mr Peter Brooke, Northern Ireland secretary, to formally appoint Sir Ninian Stephen, former Australian governor general, as independent chair-man for a later stage of the talks process when the Irlsh government will enter negotia-

and unionists were sitting together at a leather-rimmed, mahogany table for the first time since the constitutional convention of Mr Merlyn Rees, a former Northern Ireland sec-

retary, in 1975. Seven weeks of tortuous procedural wrangling had ended with Mr Paisley's eleventhhour delay to demonstrate he would not be cowed by the Dublin government and its role

in selecting the chairman.

At Mr Paisley's suggestion, the 15 participants - three from each of the four main constitutional parties plus a three-man Northern Ireland Office team stood for a minute in memory of the victims of terrorism.

It might also have concentrated the minds of local politicians after nearly two decades of direct rule from Westmin-

To ease sore voices there were bottles of Antrim Hills sparkling water: as reassur-ringly part of Ulster as Mr Paisley himself. Mr Paisley

remained the most voluble. " hope that good reason shall prevail, and that people shall face up to stark realities," he

Was it a historic day? "Let us not say anything until we have an outcome." Mr John Hume, leader of the nationalist Social Democratic and Labour Party, was tacitum but appar-

ently good natured.
"No surrender," he shouted at journalists as he left, mocking the Unionists rallying call.
The day when Irish government limousines drive up the mile long approach to Stor-mont's parliament buildings with its colonial pretensions and statue of Edward Carson, founding father of Ulster

tatives had discussed, sensibly, issues of mutual concern. They had listened to each other, maybe they had even learned. It was somehow fragile and

Unionism, is still a long way



DESPITE gloomy reports of decline during the 1980s, London's economy actually grew stronger over the past decade, a new study claimed yesterday, writes

**UK NEWS** 

Andrew Jack.

The number of jobs in the city has risen since 1982, it says. Unreliable forecasts and the selective use of statistics have given a negative and false impression of the UK's capital, according to the Insti
stresses that total employment grew dur-

inte for Metropolitan Studies. "Much of the gloom, doom and decay about London is not borne out by the report," said Sir Alan Greengross, chair-man of the Institute and the last Conser-vative opposition leader of the Greater London Council (GLC) before it was abol-

muters in 1990, like those pictured above crossing London bridge, matched its 1973 volume of 1.14 million, and that reloca-

volume of 1.14 minon, and that reloca-tion by businesses was high but generally over short distances.

"Confidence in the capital as a business centre could be undermined both [in the UK] and in Europe unless the overall per-ception is corrected," the report says.

# Labour defends policy for minimum wage

MR JOHN SMITH, opposition Labour party's chief finance spokesman, yesterday said the introduction of a national minimum wage would be an early priority for a future Labour government, despite union disagreements over the

in a robust defence of the policy, he said it was essential to protect many millions of people exploited by low pay. There was nothing to indicate that a minimum wage would lead to a rise in unemploy-

The minimum wage proposal has become increasingly controversial in recent weeks because of opposition by the government, on one hand, and

some unions, on the other. Conservative ministers believe it could become an elec-toral liability for Labour because of its potential effect on jobs and on the party's relationship with the unions.

Mr Smith made his com-ments after speaking at the biennial conference in Blackpool of the EETPU electricians union, whose leaders earlier this week expressed their opposition to the minimum wage the day before.

Along with some leaders of

the AEU engineering union, the EETPU believes it would erode pay differentials between skilled and other workers. The union fears it could also lead to a voluntary incomes policy packed between unions and the

government.

Mr Smith said his party had made it clear that "we don't believe in the introduction of an old-style incomes policy." Although there was some dis-Annough there was some disagreement among unions over the minimum pay plan, the vast majority were in favour.

"I do not expect everyone to agree with it, but a minimum wage is part of our policy. We have made up our minds, and that is what we will do."

Mr Smith said elegen of the

Mr Smith said eleven of the 12 European Community nations had a minimum wage either through statutory powers or through pay bargaining systems. They seem to have better social circumstances

and better functioning econo mies than we have in this country.

In spite of reiterating Labour's intentions for a minimum wage, Mr Smith was given a standing ovation after his speech.

The EETPU electricians'

union's biennial conference overwhelmingly defeated moves by some delegates to force cancellation of merger talks next month with the AEU engineering union. Mr Eric Hammond, union

general secretary, said the two unions together would have a greater role, would be a power-ful influence, and could attract many other skilled and quali-

#### **Bundespost** and STC review stakes in Unitel

By Hugo Dixon

BUNDESPOST Telekom, the German telephone network, and STC, the UK telecommunications manufacturer, are reviewing their shareholdings in United, the mobile commu-

United is one of three personal communications thetworks lichesed by the UK government at the beginning of last year. It is expected to works and with the cellular services operated by Vodetone and Cellust.

STC is reviewing its 30 per cent stake following its acqui-sition last year by Canada's Northern Telecom. Northern Telecom considers it is inap-

Telecom considers it is inap-propriate to compete against BT, which is also one of its largest customers.

The Bundespost, which has a 15 per cent stake in STC, will be directing its resources to upgrading the existing tele-phone network in east Ger-many.

many.

The review by STC and the Bundespost follows the decision by Pacific Telenis, of the US, and Matra, of France, to sell their stakes in Microtel, another personal communications network, to British Aero-

The moves reflect a realisation by many investors that personal communications pet-works will not be the financial bonance they had once been expected to be. However, US West, a North American telecommunications

group which has 30 per cent of Unitel, remains builtsh about the industry.

The laboratory of personal communications is the UK and from that laboratory we are going to see all these ideas springing up across the world," said Mr John de Fee, chief executive of US West's international mobile commu-nications operations. Mr Jan Loeber, Unitel's chief

executive, said it was likely that the Bundespost share stake would be distributed among the other three share-holders so that US West, Thorn EMI and STC would each have 33 per cent.

#### **CONTRACTS & TENDERS**

#### PRIVATISATION IN GREECE

#### INVITATION FOR EXPRESSION OF INTEREST

in the buy-out of

#### PORCEL S.A.

Within the framework of the Greek Government's privatization policy, the Hellenic Industrial Development Bank ("ETBA") intends to sell its shareholding in PORCEL S.A. ("the Company") to interested investors. KIDDER, PEABODY & Co. Inc. (Kidder), in association with KOURI CAPITAL Greece Itd. (Kouri), has been exclusively mandatd by ETBA to act as financial advisor in the divestiture of the above shareholdings.

#### The Company

PORCEL S.A. was established in 1985. It is the only Greek company engaged in the mining, processing, and selling of feldspar, which is used as raw material in the production of porcelain, glass bottles and containers, decorative tiles, and other ceramics. The Company has mining rights in various locations in Macedonia and Thrace, covering a total area of over 350 million sq. meters. Apart from feldspar, in the Company's deposits large quantities of white marble are also found. The Company's headquarters are in Athens, while its pduction facilities are located at Pargnestc Drama.

(GRD in millions, US\$ in thousands) Financial Highlights

(GRD in millions, US\$ in thousands)

		<u>1988</u>		<u> 1989</u>		<u>1990</u>
	US\$	GR0	US\$	GRD	U9\$	GRD
Sales					97340.1	
Gross Profit (Loss)	(592.1)	(84)	(781.9)	(127)	(127)	94
Total Assets	7,058.5	1,031	7,092.8	1,137	1,137	423

#### Privatisation Procedure

The privatisation process is a selective and controlled auction, involving three distinct phases:

- Initially, interested investors could request the confidential Offering Memorandum from Kidder or Kouri.
- In the second stage, investors expressing formal interest in the acquisition of the Company, and after executing a Confidentiality Agreement, will be given access to further information, the management and the facilities of the Company.
- A limited number of investors participating in this stage will be asked to submit to Kidder and Kouri by noon time (12:00) on July 25th, 1991, definitive binding proposals for the acquisition to the shareholdings of ETBA to the

Firm offers submitted will be reviewed and evaluated by EWTBA. Kidder and Kouri.

ETBA reserves the right to invite investors to submit improved offers, to reject all offers submitted, or to modify the acquisition procedure, should this be to the interest of ETBA or of the Company.

For the Offering Memorandum, as well as for further information on the proposed sale procedure and the timetable, interested investors should contact:

Kouri Capitals Greece Ltd Kifissias 294, 152 32 Halandri Tel: 30-1-684 6618 30-1-684 6205 Fax: 30-1-683 0892 Attn: Dr Anthony P. Zioudes, Managing Director

Kidder, Peabody & Co. Inc. 10, Hanover Sq., New York, N.Y. 10005 Tel: (212) 510 4206 Fax: (212) 558 6811

Attn: Mr Chris Pavlides

Vice President

INVITATION FOR EXPRESSION OF INTEREST

PRIVATISATION IN GREECE

in the buy-out of HELLENIC MARBLES S.A. Within the framework of the Greek Government's

privatization policy, the Hellenic Industrial Development Bank ("ETBA") intends to sell its shareholding in HELLENIC MARBLES S.A. ("the Company") to interested investors. KIDDER, PEABODY 7 CO. Inc. (Kidder), in association with KOURI CAPITAL Greece itd. (Kouri), has been exclusively mandatd by ETBA to act as financial advisor in the divestiture of the above shareholdings.

#### The Company

HELLENIC MARBLES S.A. was established in 1961 with the purpose of mining, treating and selling marble and its byproducts. The quality is on Mount Penteli and the treatment facilities in Aglos Stefanos of the Prefecture of Attikl. It is the only company with mining and exploitation rights of the worldwide famous Pentelikon marble.

#### Financial Highlights

(GRD in millions, US\$ in thousands) 1990 GRD US\$ GRD 1.368 194 289 2,315 367 Gross Profit (Loss) 296 42 89 593 Total Assets 2,163 316 2,408 386 2,680 423

#### Privatisation Procedure

The privatisation process is a selective and ocntrolled auction, involving three distinct phases:

- initially, interested investors could request the confidential Offering Memorandum from Kidder or
- In the second stage, investors expressing formal interest in the acquisition of the Company, and after executing a Confidentiality Agreement, will be given access to further information, the management and the facilities of
- A limited number of investors participating in this stage will be asked to submit to Kidder and Kouri by noon time (12:00) on July 23rd, 1991

Firm offers submitted will be reviewed and evaluated by EWTBA, Kidder and Kouri.

ETBA reserves the right to invite investors to submit improved offers, to reject all offers submitted, or to modify the acquisition procedure, should this be to the interest of ETBA or of the Company.

For the Offering Memorandum, as well as for further information on the proposed sale procedure and the timetable, interested investors should contact:

Kourl Capitals Greece ltd Kifissias 294, 152 32 Halandri Tel: 30-1-684 6618 30-1-684 6205 Fax: 30-1-683 0892 Attn: LINE ILLEGIBLE Managing Director

Kidder, Peabody & Co. Inc. 10, Harrover Sq., New York, N.Y 10005 Tel: (212) 510 4206 Fax: (212) 558 6811 Attn: Mr Chris Pavlides Vice President

PRIVATISATION IN GREECE

INVITATION FOR EXPRESSION OF INTEREST in the buy-out of HELLENIC INDUSTRIAL MINERALS

(ELVIUK) S.A. Within the framework of the Greek Government's privatization policy, the Hellenic Industrial Development Bank ("ETBA") intends to sell its shareholding in HELLENIC INDUSTRIAL MINERALS (ELVIOR) S.A. ("the Company") to interested investors. KIDDER, PEABODY & CO. Inc. (Kidder), in association with KOURI CAPITAL Greece Ltd. (Kouri), has been exclusively mandatd by ETBA to act as financial advisor in the divestiture of the above shareholdings.

#### The Company

ELVIOR was established in 1976 with the purpose of mining. beneficiating and selling quartz. The quality of the product is excellent (SiO2 content: 99.5%) Eighty percent of the output is exported and used for the production of metallic silicon and the rest of the production of various metal alloys. The Company's headquarters are in Thessaloniki, while the production facilities are

#### located in the area of Examili of the Prefecture of Thessaloniki. Financial Highlights

(GRD in millions, US\$ in thousands)

	(COLD III IIIIIIOIS)	COQ I	ii hionea	i icaj				
	ļ .	19	<u>88</u>	19	89	<u>1990</u>		
	Sales	US\$ 606	GRD 86	US\$ 880	GRD 143	US\$ 568	GRD 90	
	Gross Profit (Loss)	197	28	302	49	227	36	
١,	Total Assets	698	102	705	113	887	140	

#### Privatisation Procedure

The privatisation process is a selective and ocutrolled auction, involving three distinct phases:

- initially, interested investors could request the confidential Offering Memorandum from Kidder or Kouri.
- In the second stage, investors expressing formal interest in the acquisition of the Company, and after executing a Confidentiality Agreement, will be given access to further information, the management and the facilities of the
- A limited number of investors participating in this stage will be asked to submit to Kidder and Kouri by noon time (12:00) on July 24th, 1991, definitive binding proposals for the acquisition of the shareholdings of ETBA to the Company.

Firm offers submitted will be reviewed and evaluated by ETBA. Kidder and Kouri.

ETBA reserves the right to invite investors to submit improved offers, to reject all offers submitted, or to modify the acquisition procedure, should this be to the interest of ETBA or of the Company.

For the Offering Memorandum, as well as for further information on the proposed sale procedure and the timetable, interested investors should contact:

Kouri Capital Greece Ltd Kifistias 294, 152 32 Halandri Tel: 30-1-684 6618 30-1-684 6205 Fax; 30-1-683 0892 Attn: Dr Anthony P Zioudas,

Managing Director

Kidder, Peahody & Co. Inc. 10, Hanover Sq., New York, N.Y., 10005 Tel: (212) 510 4206 Fax: (212) 558 6811 Attn: Mr Chris Pavlides Vice President

PRIVATISATION IN GREECE

INVITATION FOR EXPRESSION OF INTEREST in the buy-out of

#### VIDOMET S.A.

Within the framework of the Greek Government's privatization policy, the Hellenic Industrial Development Bank ("ETBA") intends to sell its shareholding in VIDOMET S.A. ("the Company") to interested investors. KIDDER, PEABODY & Co. Inc. (Kidder), in association with KOURI CAPITAL Greece Ltd. (Kouri), has been exclusively mandated by ETBA to act as financial advisor in the divestiture of the above shareholdings.

VIDOMET was established in 1972 and is the largest manufacturer of nuts and boits in Greece. It holds 25% of the national market in the products that it manufactures, and has a distribution network of representatives, that covers the entire country. Its products are famous for their excellent quality. the manufacturing facilities are located in Aliveri of the Prefecture of Evia, and the Company's offices are in

Financial Highlights

(GRD in millions, U	IS\$ in th	ousands	5)			
		<u> 1988</u>	•	<u> 1989</u>		<u>1990</u>
	US\$	GRD	USS	GRD	US\$	GRD
Sales	2,530	359	2,244	<b>36</b> 5	1,840	299
Gross Profit (Loss)	(289)	(41)	(10)	(2)	(113)	(18)
Total Assets	6.901	1.008	7.018	1 125	£7 014\	1 233

#### Privatisation Procedure

The privatisation process is a selective and controlled auction, involving three distinct phases:

- Initially, interested investors could request the confidential Offering Memorandum from Kidder or Kouri.
- 2. In the second stage, investors expressing formal interest in the acquisition of the Company, and after executing a Confidentiality Agreement, will be given access to further information, the management and the facilities of the Company.
  - A limited number of investors participating in this stage will be asked to submit to Kidder and Kouri by noon time (12:00) on July 26th, 1991, definitive binding proposals for the acquisition to the shareholdings of ETBA to the

Firm offers submitted will be reviewed and evaluated by ETBA, Kidder and Kouri.

ETBA reserves the right to invite investors to submit improved offers, to reject all offers submitted, or to modify the acquisition procedure, should this be to the interest of ETBA

For the Offering Memorandum, as well as for further information on the proposed sale procedure and the timetable, interested investors should contact:

Kouri Capitals Greece Ltd Kifisslas 294, 152 32 Halandri Tel: 30-1-684 6618 30-1-684 6205 Fax: 30-1-683 0692 Attn: Dr Anthony P. Zicuidas.

Managing Director

Kidder, Peabody & Co. Inc. 10, Hanover Sq., New York, N.Y. 10005 Tel: (212) 510 4206 Fax: (212) 558 6811 Attn: Mr Chris Pavides

نطائب المستعاد

2000 1733

- Person of 1

- 1.181 **多樂**:

17 1 (-13) (-13) (-24)

L.

P

The

To the second

\*71

# undespoy Liquidation information should not be disclosed

RE BARLOW CLOWES GILT MANAGERS LTD Chancery Division (Companies Court): Mr Justice Millett: June 6 1991

ng SIC.

THE REAL PROPERTY.

1 2 2 2 2 2

1 2 2 3

- 12 - 15- 25-

and the second 40.1-

40 \$ 125 SELLA 125 1. 4. E. .  $(M_1,M_2)_{1\leq k\leq N}$ 5 - 6- 1-3. 12 " 12" asize.w • \*\* \* # ##

N D NEED

. . .

LIQUIDATORS who obtain confidential information on the assurance that it will only be used for the purposes of a compulsory winding-up, should use it for those pur-poses only and should not voluntarily disclose it to others for the purpose of criminal

proceedings.

Mr Justice Millett so held when giving directions to Mr Michael Jordan and Mr Nigel. Hamilton, joint liquidators of Barlow Clowes Gilt Managers Ltd, as to whether they should voluntarily disclose interview transcripts to four defendants to criminal proceedings, Mr to criminal proceedings, and process. The respondents to the summons for directions were the defendants and potential witnesses in the criminal proceedings. The Serious Fraud Office intervened.

Frand Office intervenes.
HIS LORDSHIP said that
Barlow Clowes Gift Managers
as a denosit-taking company was a deposit-taking company which attracted investment from members of the public. It was ordered to be compulsorily wound up by the High Court on July 6 1988. Liquidators

were appointed.

Barlow Clowes International
Ltd had been put into compulsory liquidation by the Gibral-

charged with serious criminal offences in connection with the affairs of both companies. All four were charged with con-spiracy fraudulently to induce persons to invest money, and with numerous counts of theft. Mr Clowes faced theft charges totalling £62m. The prosecu-tion was conducted by the Seri-ous Fraud Office. Mr Justice Phillips had been assigned to try the case and was holding

preparatory hearings. The first trial was to start on July 2.

The liquidators instructed Mr David Graham QC, a partner in Coopers & Lybrand Deloitte, to interview persons who had been closely involved, mostly in a professional capac-ity, with the various Barlow

Clowes companies. The purpose was to enable the liquidators to ascertain the facts generally, with particular reference to establishing if civil claims could be brought on behalf of investors against the companies, or by either company against third parties. The witnesses attended vol-

untarily. Interviews were tran-scribed and conducted in confidence. The information was obtained by means of assur-ances, express or implied, that it would be used solely for the proper purposes of the liquida-

All 16 witnesses were later interviewed by Department of

In March 1991 Mr Clowes's solicitors asked to be supplied with copies of transcripts of the interviews not already in their possession. The liquida-tors would not voluntarily release the transcripts.

On April 5 a witness summons calling for production of the transcripts was issued on the application of Mr Clowes's

On April 9 counsel for the liquidators told Mr Justice Phillips he would be applying to set aside the witness summons. He said the interviews had been conducted on a confi-dential basis, and that the liquidators would claim public immunity if necessary. He indicated that the liquida-

tors would seek directions of the Companies Court, which might authorise the transcripts to be disclosed on a voluntary

On the present summons for direction Mr Clowes and Mr Cramer, who spoke for the other two defendants, argued that the transcripts should be disclosed. The witnesses objected to disclosure. The SFO, as intervenor, supported disclosure. The liquidators remained neutral.

The evidence sworn on behalf of Mr Clowes was that his legal advisers believed material in the transcripts was likely to be relevant to prepa-

It was said that sight of the transcripts would enable the defendants to discover whether there was any inconsistency between evidence given by a witness to the liquidators and statements made by him to the DTI and the SFO. If so, it would be of obvious value in

There was no evidence that any of the transcripts actually contained any such material, and no particular reason to suspect it did. Mr Hacking, for Mr Clowes, told the court that until he saw the transcripts he could not say they would be of

any use. The defendants wished to embark upon a fishing expedi-tion. What they hoped to catch was not primary evidence but material for cross-examination. There were powerful reasons for not permitting voluntary

The information was obtained in circumstances of confidentiality and by assuronly for the purpose of the liq-Those assurances were prop

erly given by officers of the Companies Court in order to obtain information necessary enable the court to carry out its functions. The information was now

sought for purposes collateral to the liquidation and foreign

should authorise its own officers to renege on their assurances in the absence of some compelling reason to do so.

Had the information been given by use of the court's compulsory powers, the general principle was that it could not be used for purposes other than those for which the powers were conferred. It made no difference that the information was obtained informally, not

by compulsory powers, but under threat of those powers The general principle was not unqualified. It was limited in nature and might be overridden by a countervailing public interest which favoured disclo-

The defendants submitted there was a countervailing public interest in ensuring the proper administration of jus-tice, particularly criminal jus-

tice.
They rightly submitted that where the liberty of the subject was involved the weight of public interest favouring disclosure was very great indeed. National security apart, it was said, nothing could override the overwhelming public inter-est in ensuring that an innocent man was not wrongly con-

It was a feature common to both civil and criminal systems that there was a strong public

tar court. The affairs of the Trade and Industry inspectors. ration and conduct of his to those for which it was have all relevant information two companies were entangled. The prosecution intended to defence, and cross-examination obtained. It ought to be made available to it. But the unthinkable that the court courts had never assumed or made available to it. But the been granted power to compel production of all such information regardless of its nature and source. That would amount to an intolerable inva-

sion of privacy.

The prosecution must not withhold matters which might prove helpful to the defence; but a third party who was not involved, except possibly as a witness, was under no obligation to provide voluntary assis-tance to the prosecution or defence. The extent of his oblieation to disclose private documents was to produce "material evidence" in response to a witness summons under section 2 of the Criminal Justice

Act 1965. Neither law nor public policy imposed on the liquidators a general duty to assist the

Whether the transcripts constituted "material evidence" was a question for the Crown Court, not the Companies Court. The liquidators' task was to obtain information, not evidence. It would be an excep tional case in which they had any primary evidence in their

There was an important pub-lic interest against disclosure. Compulsory winding up of an insolvent company was car-ried out by the Companies Court through its officers. There was a major public interest in ensuring that they conducted the liquidation in an efficient and expeditious manner. The court's statutory power to summon persons to give information about the company's affairs was an extraordinary power. It was potentially oppressive, and was exercised with caution. If there

was a generally perceived risk that records of informal interviews might be disclosed to third parties, there was an obvious danger professional men would no longer co-operate voluntarily. The liquidators

directed to restore the applica-tion to Mr Justice Phillips, to claim public interest immunity if necessary, and not to dis-close the transcripts unless ordered to do so by the Crown

For the liquidators: John Lindsay QC and David Ashton (DJ Freeman & Co)

For Mr Clowes: Anthony Hacking QC and Martin Steiger (Burton Copeland, Manchester) For Mr Cramer, Kenneth Hamer and David Platt (Walker Morris, Leeds) For the SFO: Mary Arden QC

and Justin Gau (SFO) For the witnesses: Michael Crystal QC and Mark Phillips (Freshfields); Jonathan Sump-tion QC and Mark Howard (Linklaters & Paines)

Rachel Davies

THE BUREAU BRITAIN'S LEADING INFORMATION SERVICE RUN BY PROFESSIONALS - FOR THE PUNTER WHO TAKES RACING SERIOUSLY! ARE YOU **GOING TO** ROYAL ASCOT TODAY? 0898 300 727 CALL NOW!



SUBSCRIBE TO THE FT TODAY

Contact Gill Hart in Frankfurt

Phone: +49 69 7598101

Fax: +4969722677 **FINANCIAL TIMES** 

USA

One-story 321.063 sa. ft. industrial on 53 acres in Pennsylvania



**COMMERCIAL & INDUSTRIAL REAL ESTATE** 

**PUBLIC NOTICES** 



#### **MMC INVESTIGATION** BROADCASTING SERVICES

The Monopolies and Mergers Commission is investigating the publicising, in the course of providing a television broadcasting service, of goods (including publications) which the broadcasting

organisations themselves or their associates supply. Any person wishing to give information or views or the matter should write as soon as possible and preferably before 12 July 1991 to: The Reference Secretary (Television Broadcasting Services). Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT.

#### **COMPANY NOTICES**

**CLAL FINANCE NV** US\$ 20,000,000

**GUARANTEED FLOATING RATE NOTES 1995** The interest rate applicable to the above notes in respect of the period commencing 28th March, 1991 will be 7.375% per meam.

The interest amounting to US\$190.52 per \$5,000 principal amount and US\$381.04 per \$10,000 principal amount of the note will be paid on the 30th September, 1991 against presentation of Coupon No. 7.

BANK HAPOALIM B.M.

MERCURY 94:10 TRUST (SECAV)

BANK LEUMI (UK) pic US \$10.000.000 UNDATED PRIMARY CAPITAL FLOATING RATE MOTES

BANK LEUMI (UK) pit S-inclusi Paulog Agent

bank lessmi שוארי דים 🛊

LEGAL NOTICES

r: 7777 Country Club Inees: Country Club Cation: 8579 (Club)

The Top **Opportunities** Page

Appears in the Financial Times

every Wednesday Stephanie Spratt 071-873 4027

Elizabeth Arthur 071-873 3694



# Number one across the Atlantic.

More nonstops to the U.S. than any other airline in the world.

Fly Pan Am to the U.S. this summer and you can see the world. We offer connections from New York and Miami to over 125 cities in 51 countries, including 17 Caribbean destinations and 18 in Latin America. Our Latin America nonstops from the US. include São Paulo, Rio de Janeiro, Buenos Aires, Caracas and Santiago.

And Pan Am is continuing to grow in Europe, with new flights from Oslo and Zagreb, and flights from Amsterdam, Lisbon, Hamburg and Barcelona starting this summer.

Business travel is better on

Pan Am.

Pan Am's Clipper Class is designed especially for business travelers. Our 2x2x2 seating ensures that you'll get a window or aisle seat every time. And in First Class, you can stretch out and relax in our inviting Sleeperette Seats. earn miles with Pan Am WorldPass

We'll even provide you with a chauffeur-driven limousine. This complimentary door-to-door service (within 40 miles of the airport) is available with advance reservations on each leg of any roundtrip transatlantic flight to and from Paris, London, Frankfurt, New York, Washington, D.C., Miami, Los Angeles or San Francisco, for full fare Clipper

Class or First Class travelers. And at New York's JFK, you can choose helicopter service to Manhattan instead. Again, complimentary.

**Expanded Frequent Traveler** Program.

When you fly Pan Am, you can or United Mileage Plus, and redeem awards on either airline.

So now you can earn free trips to any of the over 280 destinations that Pan Am and United fly, including the Far East, the South Pacific, Latin America, the Bahamas and the Caribbean.

For more information or to make reservations, call your Travel Agent or your local Pan Am office.



#### **TECHNOLOGY**

f you are sceptical about British companies' ability to compete with their German counterparts following sterling's entry into the European exchange rate mechanism, do not read a document published today about the two countries' approaches to innovation. It will depress you even more.

depress you even more.

The dismal tale which emerges from a report\* by the Centre for the Exploitation of Science and Technology will be familiar to those who have followed the work of the National Institute of Economic and Social Research in charting the inadequacies of the British approach to education and training.

The report paints a picture of a German approach to innovation which is impressive in its scale and diversity. German companies are clearer than their British counterparts about which technologies will be central to their future competitiveness. While British companies tend to bring in more of their technology from other companies — through acquisitions, joint ventures or licensing agreements — German companies are committed to developing their own, proprietary technologies as

their own, proprietary technologies as a basis of their competitive strength.

Cest, a technology policy research group which is funded by a consortium of 19 large British companies, interviewed executives at 52 German businesses last autumn. The aim was to complement a similar report on British industrialists' attitudes towards innovation which was published early last year. Although the sample was not scientifically representative it was drawn from a range of manufacturing sectors, from small

of manufacturing sectors, from a lange of manufacturing sectors, from small companies as well as large groups.

The Germans displayed few doubts about their competitiveness. About 44 themselves stronger than their worldwide competitors, compared with only 18 per cent of British groups. Almost two thirds of German manufacturers regard themselves as leaders in their field within Europe, compared with 39 per cent of British companies.

Is this mistaken arrogance or

Is this mistaken arrogance or well-founded confidence? The report suggests the latter. Technological innovation is becoming an increasingly important factor in competition as product life-cycles shorten and products combine a wider range of technologies, such as new materials and micro-electronics. The German sense of strength is based on a clearer grasp of the technologies needed to compete and the way to get control of

them, the report says.

German industrialists are far clearer than their British counterparts about which technologies will be central to their future competitiveness. John Cheese, a Cest researcher and the report's author, says: "German firms had little difficulty in naming the areas of technology that currently underpin their competitive position and on which they expect to build in the future. The ease with which the Germans handled this issue

British companies have a great deal to learn from the Germans' approach to innovation, writes Charles Leadbeater

# No chance of an even match

contrasts with the difficulties expressed by many of the British industrialists in trying to identify their technology bases."

Even in generic technologies such as information technology there were striking differences. Information technology is going to become increasingly important in German companies, largely because they have technologically aware managers and well-trained workers confident of their ability to extract the most from it. In contrast, too many British systems have failed to meet their original objectives. Disenchantment has set in and investment has been cut

back as a result, the report says.

German industrialists are also more aware of how technology generates revenue. Almost 90 per cent of German executives were able to quote the share of their company's turnover which came from new products. The report says British industrialists had



difficulty in quoting a comparable figure, with nearly a quarter unable to respond to the question and a fifth reporting a guess of about 50 per cent.

reporting a guess of about 50 per cent. Although large companies in both economies face similar competitive pressures, their corporate response differ markedly. Large German companies believe that their own research and development effort is fundamental. About 73 per cent of German companies regard in-house R&D as their primary source of technology, compared with about 40 per cent in the UK. The next most important source of technology for British groups are joint ventures, the source which Germans regard as the least important. This gap between independent and

collaborative efforts will become increasingly pronounced, according to the report. About 40 per cent of German manufacturers expect to increase their R&D effort compared with just 4 per cent of British companies. In contrast, almost 25 per cent of British companies intend to acquire more technology through joint ventures, with about 20 per cent increasing their use of mergers and acquisitions. Only a small proportion of German companies said they would increase their use of such sources.

These strategies could not be of greater contrast. The UK approach could be justified by the belief that it is increasingly difficult for a single company to command all the technologies it needs. So to be technologically competitive joint ventures will have to become a way of life

have to become a way of life.

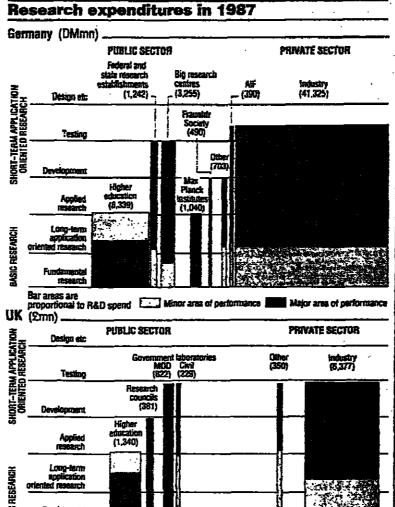
While noting this argument the
Cest report concludes: "The inherent
danger is that many companies may
be settling for competitive equality by
sharing technology. If firms neglect
the development of their core proprietary technologies they may no longer
have a choice of strategy."

The contrast is just as stark among small companies. German ones can rely upon a network of institutions which are jointly funded by the public and private sectors such as the Fraunhofer Institute, the Max Planck Institutes and collaborative industrial research associations.

These institutes, which bridge the gap between the public and private sectors, have no equivalent in the UK. In the UK, there is a stark choice between publicly funded research within higher education and private sector research within companies. The German system has a decentralised regional and local dimension for delivering services to companies which is largely lacking in the UK.

which is largely lacking in the UK.

The differences also show up in approaches to training and investment. The report says the problems of short-termism are endemic to British managers, and institutions, whether they are financial institutions or manufacturing companies. Short-termism pervades British economic culture. In contrast German companies did not even mention access to capital as a problem in innovation policies and prided themselves on being able to develop long-term strategies.



About 41 per cent of German companies said skill shortages were a problem. Almost 90 per cent said their main response would be to make better use of staff through retraining.

British companies faced a tougher outlook: 88 per cent said skill shortages were a constraint. However, about 75 per cent of executives said they planned to solve it by increasing recruitment from a dwindling pool of

retrain staff as the main solution.

The report's main recommendations are that stronger regional bodies be established to support innovation and that bridging institutions with one step in the public sector and one in the private sector be developed to close gaps in the British system.

graduates; only 25 per cent planned to

close gaps in the British system.

However, the main conclusion is about the way economic institutions and culture promote innovation. The German system envelops companies in a web of supporting institutions which makes it easier for them to pursue independent innovation strategies. Woven through these institutions is the high value put on education of the strategies.

As a result German companies do not have to reach too far for what they need to innovate. Like a chef cooking a meal a German company has at hand most of the ingredients it needs to innovate and at most has to pop next door for some help. In contrast, British companies have to reach a long way for what they need, whether it is technology, staff or finance. Their cooking has to be constantly interrupted by visits to the

shops to get more ingredients.

It is overextending the analogy only slightly to say that judging by the findings of the Cest study the Germans will be able to continue cooking their own food for many years to come while the British will become increasingly dependent upon the technological equivalent of foreign take aways.

\*Attitudes to Innovation in Germany and Britain: A Comparison. Available from Cest, 5 Berbers Road, London NI OPW. Price £25.

Earlier articles in the series appeared on March 12, April 15 and May 3.

# Europe's chips need an outside charge

By Michael Skapinker

P asquale Pistorio had some exciting news for his fellow European seniconductor executives last week. SGS-Thomson, the company he heads, had produced samples of a highly advanced

memory chip.

Developing the chip - a 16 megalit anssable programmable read only memory (Eprom) - is a considerable schievement for the Italian-French chip maker, it would be more impressive still if three Japanese companies had not already produced samples of the same chip.

In an international and highly competitive business, being the first European to bring a product to market is not enough. But then nobody needs to tell Pistorio what a cut-throat business chip-mak-

He loses few opportunities to point out that none of Europe's three big chip-makers is big enough to be viable. Europe, he says, needs a single, large semiconductor manufacturer.

The problem is that the other two – Siemens of Germany and Philips of the Netherlands – are not interested in a merger. None of the three chip makers is profitable. SGS-Thomson, which is owned by Thomson of France and IRI/Finneccanica of Italy, lost \$95m last year. Siemens and Philips doubt that the combination of three loss-making companies would create a profitable one.

Undaunted. Alain Gomez, chairman of Thomson, continues to argue for a "European solution" for the chip companies. Some advocates of the European solution think a limited US contribution might be acceptable, but that any involvement by Japanese companies is out of the question. The preferred European solution appears to be one involving only Europeans.

ition appears to be one involving only Europeans.

Gomez and Pistorio have a powerful ally in Edith Cresson, France's prime minister, who argues that it is essential that Europe retains its technological independence. The advance of Japan in particular — "an adversary who does not respect the rules of the game and whose overwhelming desire is to conquer the world" — must be furiously resisted.

This version of the European

TECHNICALLY SPEAKING

solution, a cockiall of chanvinist bombast and wishful think-

ing, is no solution.

The competitive climate which has driven European owned chip makers into loss is only going to get stormler. The cost of staying in the business is enormous; new chip factories require an investment of up to 21bn and more. Prices are plummeting. A 1 Mbit dynamic random access memory (D-Ram) chip sold for \$5.20 last year, according to Dataquest, the high technology consultancy. By 1995, the 4 Mbit D-Ram is expected to sell for little more.

in the absence of world beaters, what does Europe need? It needs a strong technology base. It needs to ensure that those of its young people who want to become scientists rather than tour guides can find worthwhite work it needs to ensure that the world's leading technology companies make their products and do their work in Europe.

Many are already doing so.

IBM, Motorola, NEC, Intel,
Fujitsu and Hitachi all have
facilities in Europe or are
huilding them. More are doing
research in Europe too.

There are already extensive
links between US, European

There are already extensive links between US, European and Japanese companies. If SGS-Thomson cannot find a European company with which to merge, it might have to look for an American one or, horror of horrors, a Japanese.

Europeans protest that this involves a loss of autonomy. They say that US and Japanese companies' most important research and manufacturing will always be done at home. These arguments have some merit, but they are the lux for eign-owned industry is not ideal, but it is better than hav-

ing no industry at all.

# We are there.

# At Alcatel we have a full understanding of every aspect of worldwide communications.

Although our communications systems operate around the globe, we never forget the importance of personal contact.

Our expertise is total and encompasses all communications systems; Network Systems, Radiocommunications – Space and Defense,

# Solving your communications problems.

Business Systems, Cables, and Network Engineering and Installation. Our operations extend to over 110 countries worldwide.

Throughout these countries our expertise is represented by no less than 120,000 locally-based experts who fully understand your specific requirements and your specific environment.

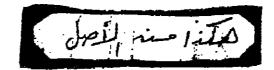
The story doesn't end there. An annual

research budget in excess of \$1-8 billion keeps us at the cutting edge of communications systems technology. These include Intelligent Networks, Digital cellular radio, Synchronous transmission networks and Broadband communications.

So we're able to solve all your communications problems both now and well into the next century.



Alcatel n.v., World Trade Center, irrawinskyloun 341, NL 1077 XX Amsterdam, The Netherlands.



#### **MANAGEMENT:** The Growing Business

the training course which confirmed them in their plans to set up in business, a growing number of the participants in the Lon-don Business School's Firmstart programme of 1987/88 are planning their "exits". Rosey Harding, co-founder of

eave to take a teachers' training course, "I've been in PR for 20 years — as a freelance, working in-house and running my own bustness and I can't

myself still hassling for PR work when I'm 55," she says. Lucien d'Sa, managing director of SouthBank Systems, a computer software company which expects to make sales of more than £700,000 this year, has his eye on the ultimate sale of his business. "We are building a product - the com-pany - to sell," he says. As the oldest director of the

company - the rest are in their mid- to late-20s - d'Sa helieves that the creative tension which holds the team together will continue to operate for another three years or so. Then its members will want to go their separate ways.

Derek Clissold, founder of
Cascade Biochem, a manufacturer of speciality chemicals with expected sales of £450,000 this year, has had express of interest from larger chemi-cal groups. But Clissold is more attracted to the idea of persuading an experienced manager to buy in to his company to share the management burden.

Clissold's plans provoke con-cern among fellow course participants at their third annual reunion at the London Bust-ness School last week. Do not sell out too early, d'Sa urges. He, and a number of other course members, think Clissold should take his business further before sharing his success

Clissold might be advised to wait a bit longer but the speed with which he, Harding and d'Sa are prepared to consider eral change in attitudes to business ownership. Fewer people see their businesses as the start of family dynasties than did earlier generations. The annual Firmstart

reunions give the businessowners an opportunity to dis-cuss their progress. The third reunion attracted only seven of the 16 original course participants though they have occa-

As far as they know only one is Janet Billinge, who runs a

Tust three years on from Charles Batchelor finds that the LBS's Firmstart graduates are seeking fresh challenges

# The class of '88 starts Rosey Harding, co-founder of Sandy Harding Mthill, a public relations consultancy with lumoyer of \$230,000, plans to



Lucien d'Sa: "We are building a product - the company

of the 16 has gone out of bust-ness though most have seen their growth plans slowed by the recession. Three years ago Lucien d'Sa drew up a business plan which showed SouthBank Systems reaching £1m turn-over by now. I must have been drunk when I forecast that sales would go from £350,000 to £1m between years two and three, he says. D'Sa has revised his business

plan to reach film within five rather than three years. He had planned to raise venture capital in year two but rising interest rates persuaded him to hold back and growth has been financed almost entirely from

retained earnings.

After three years of very good profits, Rosey Harding went through a four week period when six of her 20 clients wrote to say they could no longer afford her PR services. Up to mid-1990 her company had been receiving five enquiries a month but the last six months of 1990 produced none. Profits won't be there this year but we have kept all our staff and are still carrying on," she says. The only course member to

have made someone redundant

computer training consultancy, MSI Consultants. She had to lay off one of her 11 employees, an experience she describes as

"horrid". Most report increased competition as the recession tightens. David Lane, founder of the Professional Development Foundation, which provides staff development programmes, says that the business schools have set up a lot more tai-

lor-made courses. Nana Segedin, director of Malla Translations, says the approach of 1992 led to the proliferation of new translation agencies though many have since gone bust and others, she thinks, provide a very poor quality service. Maila's turnover stagnated last year though she expects an increase this time.

Both Lane and Segedin have been expanding overseas with varying degrees of success. Lane has set up a training cen-tre near Florence, partly because the Italian market looked ripe for development and partly because an Italian contact suggested the idea of a joint venture. Plans to expand into the US

were halted, however, when Lane discovered the cost of

book-publishing market. Pub lishers can get a page set in the Far East for £4.80 compared with the £7.50 quoted by Bess, explains Dunford.

The company is now concen-trating on the market for corporate manuals and magazines and has produced a number of computer manuals. Dunford is also making use of his military contacts - he was until recently an officer in the volunteer reserve - to develop the market for military histo-

Janet Billinge has found, to her surprise, that it has become easier to sell expensive training packages than relatively inexpensive software. "I is easier to sell a £120,000 project than a product costing £7,000. People cannot get per-mission to make small equip-

Unfortunately for MSI, training packages are less lucrative than products though the com-pany is profitable on a monthly basis. This is no mean achieve ment in a fiercely competitive market where Billinge has seen the number of direct rivals fall from seven to just three over the past year. This thinning out of the competition means MSI should be well placed to benefit when the pturn comes, she says.
All of the seven course par

ticipants to attend the third reunion have successful businesses even if some have been set back by the recession. But have they matched up to the expectations which led to their founders being accepted on the Firmstart course in the first

Firmstart applicants were expected to start businesses with "growth potential in both employment and wealth terms". What this amounted to in employment terms was 10 or more jobs in the space of two to three years. Billings and d'Sa both have 10-person busi-nesses (including themselves) while Clissold has nine people on his books and Dunford eight. Harding has seven people, Lane five and Segedin two and a half-timer.

Growth has been slightly slower than expected for most participants although a reces sion has intervened. "Where is the real high-flyer?" Billinge asks. After just three years it is probably too early to say. Ven ture capitalists do not expect their top performers to emerge until after their problem com-panies have failed. The plums of the Firmstart crop have yet to ripen.

Previous articles on reunions were published on May 9 1989 and May 8 1990.

# When insolvency looms...

David Waller reports on lessons to be learned from IVAs

nsolvency practitioners insolvency statistics. These are pressing the govern-ment for an amendment to insolvency legislation which they argue could prevent thou-sands of small businesses from going into receivership or liq-

uldation each year.

Ian Bond, president of the Society of Practitioners of insolvency, is set to meet John Redwood, corporate affairs minister, to suggest improve-ments to a procedure called Company Voluntary Arrangements (CVAs), first introduced by the Insolvency Act 1986.

This act, the product of a detailed review of the UK's insolvency law, was designed to make it easier for companies to survive short-term liquidity problems. It intro-duced a number of new procedures, such as CVAs and administration, specifically designed to give troubled com-panies a breathing space from

Bond, a senior partner at Cork Gully, the UK's largest insolvency practice and an arm of Coopers & Lybrand Deloitte, believes that CVAs specifically tailored for small companies - are simply not

This is obvious from the

show that last year there were 15,000 compulsory and creditors' voluntary liquidations in England & Wales, 211 adminis-tration appointments and only 58 CVAs. Most of these, according to Bond, were intro-duced for technical reasons and did not help to save small

This contrasts with the obvious success of Individual Voluntary Arrangements (IVA), another procedure introduced by the 1986 Act but one tai-lored for insolvent individuals rather than companies. This has proved very popular and last year almost 14 per cent of personal insolvencies were

The IVA allows an individual to go to court and secure protection from creditors for a fixed period of time - a mat-ter of weeks - while the individual works out a scheme with its creditors for repaying

Provided a majority of creditors back the scheme, the court will endorse it - and that is the end of the matter. By contrast, when a company goes to court seeking a voluntary arrangement, it must have its proposals approved by creditors before it gains immunity from creditors. By seeking creditors' approval the company invari-ably brings about its own downfall, as individual creditors are free to put the comnauv into receivership. Administration - often

compared with the Chapter 11 procedure in the US - does give companies a period of munity from creditors. The problem is it costs at least £20,000 in legal and accountancy fees to provide the evidence necessary to persuade the judge that the administration order should be granted. In practice, that rules out administration for small busi-

Bond will tell Redwood that many small businesses would be saved if a court - a relatively lowly court - had the power to impose an instanta-neous freeze on creditors' rights, as is already the case with IVAs.

Bond is alert to the possibility of abuse from cowboy directors and there would have to be a ceiling in terms of sales or assets to ensure that only genuinely small busi-nesses could benefit from this

#### In briet...

■ Collaborative rather than adversarial relationships between suppliers and their customers can lead to sizeable cost reductions, a faster response to chang consumer requirements and

Winning Together in UK Electronics' shows how buyers in one particular industry are selecting suppliers who can meet their requirements for quality, livery and performance. The booklet sets out the main lasks for company boards and makes suggestions on how to select partners. It lists the ingredients for making collaboration work in practice.

\*From National Economic Development Council. Millbank Tower, Millbank, London SW1P 4QX. Tel 071-217 4037. 36 pages. £25 plus £1.20 inc, VAT and p+p.

■ The growing enthus

is forcing business support organisations to follow suit. copy and design group, tested out the standard at its A loose-leaf guide to the application of the B\$5750 Middlesbrough store to ensure that it would work in quality standard to support organisations has been produced by Business in the it intends that all new

tranchised outlets should apply for registration within Community, the umbre organisation of Britain's enterprise agencies. The guide, sponsored by Shell, is intended for traini this year. and enterprise councils, local \*Kall-Kwik House, 106 authority economic

Pembroke Road, Ruislip, Middx HA4 8NW. Tel 0895

■ Retall businesses in Covent Garden are to compile a their hand when negotiating rent reviews and lease

The Covent Garden it believes this is the first time joint action has been taken on such a register because tenants are usually secretive about the rents they pay; some are fighting incr of up to 800 per cent. Contact Giles Henschel Covent Garden Community

**BUSINESS OPPORTUNITIES** 

professional indemnity insur-ance. Lane is forced to admit

though that he does not know

quite to what risks a company like his would be exposed.

Malla Translations has with-drawn from its attempt to

break into the German market. "You need to be there for two

to three years before they will

accept you," says Segedin. "I withdrew after making a small

loss." She is now developing business in Sweden where the

market appears to be much

more receptive. SouthBank Systems has

been promoting its products abroad but d'Sa is cautious. "I

have seen too many companies

go bust trying to break into foreign countries." SouthBank

Systems has continued to con-centrate on the UK niche mar-kets where it started, supply-

ing local authorities with software to manage parks and tree maintenance and street

cleaning.
Other course participants

have had to change the focus of their businesses in response

to customer demand, or the

lack of it. Tony Dunford, founder of Bess Typesetting & Graphics, has had to give up his attempt to win a strong

position in the mainstream

#### Knight Frank 23 & Rutley

Proposed golf course at Bletchingley, Surrey

5 minutes from Junction 6 on M25 Founder members sought

... (AJRM/MJP/107257)

#### London: 071-629 8171 20 Hanover Square, London WTR 0AH

PROPERTY INVESTMENT OPPORTUNITY. 'IN LANZAROTE :: A single block of ten apartments is available for purchase outright in the beautiful holiday resort of Puerto del Carmen on the island of Lanzarote.

The apartments are fully equipped for holiday occupancy, and come, if necessary, with ten months' guaranteed peckage holiday contracts, returning 6½% overall but also leaving two summer months available for flexible usage.

Purchase price: 70,000,000 pesetas (approximately £390,000). Por further details please write Box 118796, Financial Times, One Southwark Bridge, London SEt 9141.

in Property Management and Financial Services (including FIMBRA (cence). Owner topking to semi reize, willing to talk sele, or equity share. Mile Box 19863 Financial Tance, One Sainteack Budge, London SET SFL

OLD ESTABLISHED FIRM

-Two widely wither learned directors needs is new challenge to exercise, their stills of improving group or individual companies performance, through direction motivation or on, backgound of national an To discuss tel: 071 735 1614 or fac: 071 587 0008

OFFICE PLANNING! DESIGN/ ARCHITECTURAL COMPANY SEEKS
MERGER FOR
STRATEGIC GROWTH

We are a small, but well established (7 years) design led company with several blue chip clients. We have spare space in studio/office near Tower Bridge and seek similar company with view to merger, and and shape overheads thus cut and share overheads, thus allowing strategic growth and business development. Write Box H8791, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

WOULD YOU HELP WITH A LOAN FOR 30 MONTHS? in 1925 the temporary wooden chapet from the Wontoley Exhibition was principased by Pather Highey of Lineshouse and re-exocled on its present site at Laindon, Essent. Here we are 66 years later, just starting to build our new permanent Charitt, Presbytery and Heil.

Ouring the visit of our Sistep in 1987, we started negotiations to patchase a nair place of land in the centre of the Padat, on which to build our new Church. Discesso approved vise given on the undestimating that sufficient lands would be raised from the sale of our two exching properties, to almost cover the cost of the land and the new 1980,000 Church, Prestytery and Half Complex, lessing a small abbridal which our 200-strong Parish congregation could

Since then, as you know, the land market has deteriorated drastically and interest rates have accepted. If we sell our existing properties now the shortest would leave the Parish with a table it could not handle, but if we could raise an interest-free loan for 30 months, allowing the sed market to improve, the Parish would again have a debt it could manage.

Witaki yeer, your Company, yeer Haliginus Order, Trust or Perieb files to make us an interest-tive loss, to make up the amount to 30 months? All montes sent will be acknowledged on our behalf by our Sankers, Midland Benk pib, Brenswood, Esseut, also by the Parish and giteranteed by the Diocese, and loss money returned in hall on the 30th month. Thenk you

Address. I would like to make an interest-free loan for 30 months to: St Teresa's Laindon, Essex. I enclose a chieque made payable to St Teresa's and crossed Midland Bank plc. Please return to: Midland Bank plc, 91, High Street, Brantwood, Essex-CM14 4RU.

#### Leisure Park Site

Cleethorpes, South Humberside Approximately 54 acres with planning consent for theme park, shops, restaurants and ancillary leisure facilities

Humberts · Leisure

A partially constructed park with an opportunity to develop a successful visitor enterprise Ref. CHD

071-629 6700 25 GROSVENOR STREET + LONDON WIN 91E

#### FROZEN PINEAPPLE BITS AND PINEAPPLE JUICE

We have installed a most modern Pineapple processing plant for production of Individually Quick Pineapple bits and Irozen pineapple juice for the European Market. The plant procured from Italy and Germany represents the current state-of-the-art equipment and conform to highest in standard for food production and is located in Lagos, Nigeria.

We will welcome trade enquiries for bulk purchase of these items and can also consider packing under individual labels for large buyers. Can offer 1,000 to 2,000 tons between October 1991 and March, 1992. For trade enquiries, contact Printalts International Limited, York House, 10th Floor, Empire Way, Middlesex HA9 OPA.

Fax No: 081 902 5635 Telex: 893734 Primix G. Tel: 081 900 0616



#### has 25 years experience in the World

**SOVRYBFLOT** 

Market, export and import of fish and sea products, all kinds of machines and equipment including electronics and construction for various Rozhdestvenskiy boulevard 9 103045 Moscow,

USSR tel: 208-40-57 telex 411208, fax 2302487

#### FAMOUS BRAND COMPUTER HARDWARE FOR EXPORT

ands of PC's, monitors printers, etc.

exaliable tramedistely for export sale only. All exercise atocks from the world's leading STOCK CHANGES WEEKLY

Current list includes ... LAPTOPS & PORTABLES XI's & AT's 200/300 MONO & COLOGO MONITORS HARD DISKS & OTHER PERPHERALS

LIQUIDATION PRICES Volume busins only should contact: PETER KING PST (Trading) Ltd

#### SECOND MORTGAGE PORTFOLIOS REQUIRED

• #75k to £10m

Write Box H8773 Financial Times, One Southwark Bridge, London SE1 9HL.

DIRECTORSHIP

tive appointments. Experience at main board level. Accomplished track record of achievement UK .TEL: .444 (M21.756 1616) FAX: +44 (0)61 756 0119/0122

Performing or Non Performing

Fest Decision/Completic

NON-EXECUTIVE

·Two Directors (Ex Chairman and Managing Director of PLCs) available for non-execu-

and Europe. Resident - Bedford-shire and Middlesex. Write Box H\$769, Pinancial Times, One Southwark Bridge, LONDON, SEI 941.

#### As a Leading

Trade Import Supplier we have been asked by our current Far Eastern manufacturers to offer products made by their subsidiaries to the UK Market as follows: Computer Equipment & Accessories 2) Leather Lounge Furniture & Solid ood Tables & Chairs 3) Heir Brushes 4) Casual Clothing 5)Carved Horn Figures 6) Waterproof Cotton Canvas 7) Stationery Accessories

8) Rubber Hose For further information contact: ADVANCED MERCHANDISING SERVICES Tel: 081 447 0819 Fax: 081 447 0623

## For Sale

DOUBLE DIAMOND Registered Trademark No: 839160, Class 29.

Please apply to: Erik Thorbek, H&T WALKER LTD, Tel: (0732) 450712, Fax: (0732) 459288

#### **ENGINEERING/** CONSTRUCTION JOINT VENTURE **PARTNER** An Australian electrical

engineering, manufacturing and contracting company with proven and industrial projects is seeking a joint venture partner for turnike design construction projects in Australia and South East Asia. This joint venture arrangement

would provide substanital representation of both parties in projects related to automation process control and plant

The company is Sydney based having spacious manufacturing and design resources with capability for PLC programm instrumentation, H.Y. Equipment, various type tested main switchboards and MCCs including our standard line products Voicon 50.

9 WENBAN PLACE WETHERELL PARK NSW 2164 SYDNEY, AUSTRALIA TEL: (02) 725 2577 FAX: (02) 609 3349

HEAD OFFICE:

**VOLTREX CONSTRUCTION GROUP** Electrical Engineers • Construction • Manufacturers

SOUGHT We are seeking a subal opportunity whene trent owners me looking for highly methods rinces to contains both energy and meany it help helid on a round expelled bearines. Temover in emoss of £1 million, butod in South Hest. Write South Hest. One Southwart Bridge, London SEI 594.

RETAILING OPPORTUNITY

#### Regus **IMMEDIATELY** AVAILABLE **FULLY STAFFED** AND EQUIPPED **OFFICES** DRID-NEW YORK-WASHINGTON D.C. PHILADRIPHIA-SEATTLE

COPPHAGEN Secretarial assistance Meeting room facilities Answering service Message service Prestigious locations TELEPHONE: LONDON 071-753 2828 USA Toll Free 800 776 8330

ARE YOU LOOKING FOR AN OPPORTUNITY FOR GROWTH AS WELL AS REDUCING THE COST OF RUNNING YOUR BUSINESS

We could easily house a small exhibition stand design. PR or marketing communications company (minimum terrotter 1250K1 in our Heathrow office complex. We are correctly involved in publishing, design and marksting communications. Benefits all round could be descussed from sharing accommodation, facilities and management services to a full merser.

Principals only, write Box H8788, Financial Times, One Southwark Bridge, London SE1 9HL

#### LOW COST **PRODUCTION**

Our clients, a British design and cagineering company have developed a new environmental product with worldwide demand. They have secured off-shore manufacturing facilities with substantial tax advantages, soft locus and other financial incentives.

Opportunities now exait for discerning people or companies to assist in non-executive, board-level point to combine marketing, sales,

roles to combine marketing, sales, production and distribution skills.

Write Box H8745, Financial Times, One Southwark Bridge, London SE I 9HL

of the quality standard covering business couns and training, workspace management and financial packaging.

\*Available from Paul Scott,

227A City Road, London EC1V 1LX. £125 plus £5 p&p. ■ Cuality management is starting to appeal to franchised businesses, one of which, Kall-Kwik, has

ed on a program

to help its franch

Business in the Community,

development units and other

as enterprise agencies. It

six months of opening. Thirty new outlets are planned for

#### PUBLIC COMPANY

Our client owns a 55% stake in a fully listed P.L.C., Company has at last B.S. date tangible net assets of circa £7m, but realisations nearer to £8.5m. Our client would consider the sale of £9.9% for £2.5m (Cash) only who will have to prove they have the necessary funds in place.

Write Box H8798, Financial Times, One Southwark Bridge, London SE1 9HL

**TERMINAL OPERATIONS** Expanding Terminal Operations Co., seeks joint venture equity partner to expand handling facilities including Inland Warehousing facility.

Contact: Jobtel Ltd., 10 Chimes Meadow, Southwell, Notts.

Tel: 0636 815265 or Fax 0636 815828 "A.F.L. LEASELINE" We are a well established, highly respected Losse Brokerage seeking additional Losses to fund increasing business lovels in several profitable niche markets.

Capital cost SSK - £15K. Extremely loss definite with current Major Lesson. However, our substantial incre in New Business volume causes us to suck additional new long-term business parts For hather details pieuse contact either Mr A.G. Belton or Mr P.I. Lewis on 0244 520212, or write per "A.F.L. Leussline", The Business Centre, Manor Lane, Hawarden, Dooside, Clwyd, CHS 3PP

INVESTMENT OPPORTUNITY TO PURCHASE

U.E. RESIDENTIAL PROPERTIES
AT APPROXIMATELY SON BELOW CURRENT MARKET VALUE We have hundreds of elderly homeowners wishing to sell their property in return for a life time rent free tenancy.

This opportunity would interest Investor/Investors with £1 million or more to invest.

Write Box H8125, Financial Times, One Southwark Bridge, LONDON, SE1 9HL Electronic Information

ROLL-OVER Ex-Revenue/professionally quadfler personnel now able to undertake small number of assignments to shelter chargeable gains of C\*2 million+. Must be asset disposals (not shares crystallised within past 3 years High irvel of gearing possible Write Box No. 22440.

#### FINANCE AVAILABLE

iel Times, 1 Seathwark Bridge Lenden, SEf Bill.

Commercial and Industrial Meetgager Development Capital, Corporate Fina Margers and Disposals

LEEDS TRUST PLC Cavendish House, St Andrews Court, Leeds LS3 1LA Tel: 0532 442060

Capital Available Investors have funds & skills to invest

Send business plan or connex Venture Capital Report (est. 1978); Boston Rd, Henkry, RG9 IDY. Tel: 0491 579999 Fax: 0491 579825 VCR

Expert services for makers of ing products/services:
- sub-supply to German Contact: Ulf Glattkowski,

Germany Fax: 49-4562-9840 Tel: 49-4562-9947

GERMANY

Pennon is a key market for 1992. Opportunities exist mere. As a French expendention we can help you sed in Franco. We not only advise, but will implement the agreed plan tender year apparaishen and control. Contacts- SELL IN FRANCE for irrelation & prices U.K. Branco Charge 0244-217533. Par 010 33-37651214

Display Systems

dentisetures of Hi Tech information splay system (already sold in the City financial markets) scoks

financial markets) socks
Marketing/Distributor agents to widen
sales to many other suitable areas e.g.
Hotels, Shopping Centres, Garages etc.
Possibility of exclusive meas/countries.
Distributors particularly sought in
Madrid, Lisbon, Milan and Rome.
Write Bur 18772 Financial Theos,
Our Soudywark Bridge, Landon SE1 9871.

EXPERIENCED

TEAM OF VENTURE

Have reviewed over

1.500 Business Plans.

Written dozens.

Will write yours for you

Tel: 071-935 9644.

SELL IN FRANCE

**CAPITALISTS** 

#### House Builder/

Of proven record and living in Kent seeks a financial partner to take advantage of current low prices and availability of land. Please write Box H7881, Financial Times, One Southwark Bridge, London SE1 9HL

Designer/Civil Engineer

JAPALA INVEST Ltd is an owner of and investor in real estate in Finland with activities currently in 7

APALA INVEST Ltd is now looking for joint venture companies interested in the participation in such developments as shopping centres, iolidays homes, golf courses etc.

For more information contact Mr Markku Laine, Fax no: Finland 358-14-721312.

RESPONSIBLE PERSON NOW ESTABLISHED IN AMAZON REGION OF BOLIVIA

steiring representation of British, interpean and American interest in that region Could also once Brazilian Amazon region A i present in London only until end of line Please ting 2.2.2.0(0628) 76770 up to 28/6/91

is motorway junction 1.3 militan peo-mithin 6 mileo, Leasehold, Possible Planners C.K. Long Irontage Busy road Write Box H8790, Financial I, One Southwark Bridge, London SE1

#### **BUSINESS WANTED**

GLENWOOD (U.K.) Ltd Sood Profitable Companies, nainly South of England based, which may be purchased in the ollowing catagories:

Engineering - Precision and Fabrication Printing/Greeting cards

Computer Software Public and Private Transport Security Systems Flooring - Retail and Contracting

FAX on 0202 605339

BUSINESS WANTED

We manufacture and repair tankers for the A.D. Market and for the bulk transport market. We seek to acquire other companies with similar product ranges, having a turnover of not less than 2M per annum.

MORTGAGES

Figure Consultants
HIRSCH INT (Financial Services) LTO
Appleby House, 48 St James's Place,
London Shi 14 1PA

Tol 071-629 5051 Fax. 071-409 0419

**ADVERTISING** 

NOT WORKING?

Full service agency,

NO RESULT, NO FEES

FOR DETAILS FAX: 0932 254731

OVE IN TODAY bully furnished luvery offices from £50.00 per week includes

Apply to HIRSCH Europe's fe

Write to Box H8815, Financial Times. One Southwark Bridge, London SEI 9HL

#### **MAIL ORDER COMPANIES**

We are a rapidly expanding group of Mail Order companies running a range of catalogues from a base in

In order to maximise the utilisation of our facilities we are now seeking acquisition opportunities in the Mail Order

We are interested in companies with a turnover up to £5m. Lack of current profitability will not be a limiting factor. All enquiries will be treated in the strictest confidence.

Please write in the first instance to Box H8779, Financial Times, One Southwark Bridge, London SE1 9HL

#### **BUSINESS WANTED**

Experienced, but under utilised management team with considerable experience in corporate restructuring seek involvement in a small public company. The company must have a sound long term

The initial objective would be a management involvement during any period of re-organisation followed by a merger with the existing privately owned company which is in an asset backed service

Existing business has a net asset value of £6.0 million. Write Box H8786, Financial Times, One Southwark Bridge, London SE1 9HL

#### **ENGINEERING/ASSOCIATED COMPANIES**

We are a privately owned Engineering Group looking to acquire businesses involved in engineering (capital goods, e.g. machine tools and other products) and associated industries (e.g. fasteners) - either manufacturing or distribution.

Should you have a Company, Division or Product Line, which you wish to dispose of, for whatever reason (including recovery situations), please contact us for discussion. Replies will be treated in strictest confidence.

Please write Box H8784, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

CASH AVAILABLE FOR ACQUISITION OR MERGER Profitable UK trading company with T/O in excess of £6M, speciali refurbishment and international resale of capital equipment wishes to

Preferred location S.E. England. Write Box: H8774 Financial Times, One Southwark bridge, London Set 9HL

expand by acquisition or merger with similar organisation.

#### Specialist Building Contractor

requires WINDOW AND CURTAIN WALLING MANUFACTURER AND INSTALLER with capacity for at least 22-3 million sales, to provide in house musufacturing capability. Mocal

ed Location - beds, Bucks, Hero interested peincipals only, plane write with details to:

Write Box H8772 Pleancial Times, Oc

outhwark Bridge, Landon SE1 9HL

#### CONTAINER BUSINESSES WANTED

Container rental companies in U.K. and Europe are sought by subsidiary of major international

company. Write with details to Box H8805, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

COMPANY WANTED IT. TRAINING OR RECRUTTMENT Turnover <£750K

Berks/Bucks/Oxon/ London Acquisition or Buy-in Write to Box H8702, Financial Times, One Southwark Bridge, London SEI 9HL.

#### INJECTION MOULDING RELATED CO. WANTED

Strong management & future growth plan. Variety of products/markets esp. consumer. Profitable or not. East Midlands/E. Anglia. Write Box H\$\$04, Financial Times, One Southwark Bridge, London SEI 9HL

Purchaser

seeks established medium sized international trading company preserably with export connec-tions into east and central Europe to link with substantial existing interests.

Write Box H3792. Financial Times, One Southwark Braige, LONDON SEI 9HL

#### **MANUFACTURERS** OF KITCHEN UNITS

We seek to purchase from the liq-uidators machinery / production lines for the manufacture of Kitchen units and bedroom & office furniture. Please fax details to 010-3343-25,17,60

#### **LEASING** COMPANY

Investment company desires to buy a leasing company with assets between £2-20m.

Robin Worby Moore Stephens, Ross House, Windmill Hill, Entield EN2 6SW

in the areas of: Plastic Injection moulding Die castings Sheet meta

Turnover range £2.0 million to £10.0 million

Contact: Mr W Goldle, Strategern Limited, Unit 1, Beta Centre, Stirling Innovation Perk, Stirling FK9 ANF PRINTING/PACKAGING

RELATED CO. WANTED - GENERAL l established, good tumover have Die Cotter. Profitable or not. East Midlands/E. Anglia. Write Box H3303 Financial Times, One Southwark Bridge, London SE1 9HL

> **AIRCRAFT** FOR SALE



■ USS 37.5 ALEIOD

 Offers Considered Superb laterfor New Condition

 Suitable for Corporations and Governments Non Stop Range - 4,500mm
 Houston - London Tokyo - San Fransisco

London - Bombay Graham Chappell Gooff Shepheard Malbourne, Australia Chesbam, England 进 67 周 374 2111 Tet 44 (45/4) 791 000 Fac 61 (3) 379 3789

# Jewellery Box

# Manufacturer

The Joint Administrative Receivers offer for sale as a going concern the assets and trade of Customline Limited, trading as Design Philip

The Company is engaged in the manufacture and wholesaking of ornamental and presentational jewellery boxes, it occupies a 52,500 sq It. factory on an 8 1/2 acre site in Llanelli, South Wales with easy access to the M4.

- Annual turnover circa £4m.
- Major customers include catalogue and household names
- Large trading and raw materials stocks
- Considerable sité development potential.

For further information contact the Joint Administrative Receivers. Barry Jones/Barry Mitchell, KPMG Peal Marwick. Mariborough House, Fitzalan Court, Fitzalan Road, Cardill, CF2 1TE. Telephone: (0222) 462463 Telelax: (0222) 481605

**KPMG** Corporate Recovery



# Businesses for sale

KPMG Peat Marwick, offer for sale the following businesses:-

#### Linen Manufacturer

- Specialising in sheets, pillowcases and duvet covers.
- Turnover approximately £5.6m.
- 38,000 sq ft freehold factory.

#### Weaving Company

- Specialising in industrial fabrics.
- Turnover approximately £3.7m. ■ 64,000 sq ft freehold factory.

For further information contact Mick McLoughlin, KPMG Peat Marwick, St. Nicholas House. 31 Park Row, Nottingham, NG1 6FQ. Telephone: 0602 483444 Telefax: 0602 483401

**KPMG** Peat Marwick Corporate Finance



#### Flowers of York Limited

(In Administrative Receivership)

The gandwill and assets of the above company are offered for sale. The Company is engaged in warehousing, distribution, road haulage, vehicle rental and vehicle repair.

Main features are

- 12.24 acre freehold site.
- 92,076 sq. ft. of fully equipped storage facilities and separate offices.
- Class 7 light grouds vehicle test station.
- ☐ Major customers include blue chip national companies.

For further details, please contact Gurpal S. Johal or Ralph S. Preece, the Joint Administrative Receivers, or Tony Robinson, at the address below.

10-12 East Panale, Leeds ISI 2AJ. Tel: 0532 439021. Fax: 0532 445580.

**DRT** international

Authorised for the Institute of Chamered Accountable in England and Wales to carry on Investment flu



#### **Delta Belie Saloon Ocean Village Southampton**

The Joint Administrative Receivers offer for sale on a going concern basis the business and assets of this popular American theme restaurant and bar. ◆ Leasehold premises on 2 floors at Ocean Village, Southampton which is a

residential, commercial and retail complex in a marina leisure development. ◆ Current revenue approx £18,000 p.w. with scope for substantial improvement.

Further information may be obtained from the Joint Administrative Receiver, PR Copp, FCA, FCCA or EVL Blackwell, FIPA (ref das) at Stoy Hayward, 8 Baker Street, London WIM 1DA. Tel: 071-486 5888, Fax: 071-487 3686, Telex: 267716 HORWAT.

#### STOY HAYWARD

Accountants and Business Advisers A member of Horwath International Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business

#### Major Distributor Of Industrial Hydraulic **Equipment**

Designer and builder of hydraulic power units and systems. Turnover £1.6 million. Midland based. 5,600 sq ft freehold and expansion capability.

Enquiries, Write Box H8775, Financial Times, One Southwark Bridge, LONDON. SEI 9HL

#### **ELECTRONICS** R & D AND **PRODUCTION** FACILITY

Howath

Located in rural area of North West Lanes within a few miles of the M6 equipped facility of approx 2,000 sq ft with car parking for 8 cars. Currently employing 7 people on contract work. Price includes residential 3 bed det bungalow, factory unit & up to date production equipment. Stock in trade negotiable. Freehold for quick sale £265,000 Phone 0772-616795

#### Touche Ross

**BUSINESSES FOR SALE** 

# **KBD Automotive Limited**

(In Administrative Receivership)

The Joint Administrative Receivers, C. Mouris and J. P. Bichards offer a vehicle model making workshop for sale.

- C Situated at Maldon, Essex close to A12. Lease to June 1998 – \$000 sq tr ← option to purchase freehold.
- Steifelmator Computersed measuring bridge. Band saws and milling tables.
- For further details contact John Richards or Nigel Notting at the address below.

PO Box 810, Frany Gont, 65 Cratched Frans. London ECSN 2NP

Tel: 071 936 3000. Fax: 071 180 0881.

#### Touche Ross

# **Residential Nursing Homes**

(In Administrative Receivership)

The Joint Administrative Receivers, Gurpal'S Joinal and Ralph S. Press'e. offer for sale the goodwill and assets of two mexican nursing homes based in W. Yorkshire. The main features are:

- New purpose built nursing homes with a until of 76 beds 24 hour RGN staffing.
- Modern facilities, fully equipped, comprising primarily single bestrooms
- Currently fully occupied with a waiting list

In the Halifax and Hocklersfield areas For further details, please contact Gurpal 5. Johal or Ralph S. Proece, Joint Administrative Receivers, or Richard Daszloewicz at the address below

10-12 East Parade, Leeds LST 2AJ. Tel: 0532 439021. Fax: 0532 435590.

#### TRACY PARK GOLF AND **COUNTRY CLUB**



SUPERB GRADE II LISTED GEORGIAN MANSION

An outstanding opportunity to acquire a well established 27 hole golf course with the benefit of outline planning consent for a major hotel, with extensive conference and leisure facilities including nine additional golf holes.

Set in some 223 acres in an area of outstanding natural beauty. Strategically located between Bath, Bristol, the M4 and

M5 motorways and Bristol Airport. OFFERS ARE INVITED SUBJECT TO CONTRACT FOR THE ENTIRE ISSUED SHARE CAPITAL OF THE COMPANY WHICH OWNS THE FREEHOLD INTEREST IN TRACY PARK.

Offers for all the shares of A.V.N.O. Holdings Limited are invited from parties restricted to those who are a body corporate, or a partnership, or a single individual, or persons of whom is, or is a close relative of, a person who is to be a director or manager of A.V.N.O. Holdings Limited upon completion of the purchase Knight Frank 🛱 🐍 Rutley INTERNATIONAL 071 629 8171

#### **Novasport (Scotland)** Limited (In Receivership)

The business and assets of the NOVASPORT and LADY NOVA high street sportswear retail chain are

- offered for sale by the Joint Receivers.
- 'Novasport' and 'Lady Nova' trade names. · 24 retail shops (leasehold).
- Annual turnover approximately £4 million. Substantial stock of leading brand sportswear.
- 140 employees. For further information contact: Jain Bennet or David Leslie, Price Waterhouse, 1 Blythswood

Square, Glasgow G2 4AD. Tel: 041-226 4593.

Price Waterhouse

Fax: 041-221 5563.



BEFORE YOU BUY THE BUSINESS. WE'LL TELL YOU ABOUT THE BUSINESS THEY'RE IN AND WHO ELSE IS IN IT. IIB S.A., CP 218, Petit-Lancy 2, CH-1213 Geneva Telephone (+41 22) 788 2751 Fax (+41 22) 788 2726

## AUCTION SALE

By Order of Marathon Oil U.K. Ltd mai Materials, Brae 'B' Platform MAJOR SALE by Auction and Tender of Over 11,000 Unused Line Rems - Purchase Cost 1984@5 over £8,000,000 On: Wednesday and Thursday 26th and 27th June 1991 At: Teeside Offshore Base Middlesborough

PIPE & FITTINGS in Stainless Steel, incoloy, Kunter and Carbon Steel
STEEL PLATE, SCAFFOLDING,
ELECTRICAL COMPONENTS & CABLE,
INSTRUMENTATION and GENERAL MAINTENANCE EQUIPMENT On View 24 and 25 June 1991, 9.30 am to 4.30 pm and SALE DAYS

CATALOGUES ON REQUEST FROM:

SITE OFFICE - TEL: 0842 466240 or 0842 440049 44 C.e.B ⟨⟨yden Edinourgh EH2 38M

Henry Butcher Tel No: 031 225 4643 Fax No: 031 220 4674 MANUFACTURING FACILITY (Lutterworth, England)

This facility, formerly used by the DE VLIEG MACHINE CO. LTD. (in liquidation)

- a manufacturer of high
precision Machine Tooleis available for sale as a RN-KEY MANUFACTURING UNI including all Plant & Machinery, consumable Tools, Office Fusition & Fittings, Computers etc. etc.

For Auther Information - contact: HORMAN LEVY ASSOCIATES OVERSEAS IMC, Sudon Tower - Station Square - Coventry CV1 2GR Phone: 0203 832277
• Fax: 0203 632225 - Yelex: 312287

ACQUISITION/ MERGER SOUGHT

We are an established unquoted Pic six years post-management buy-in working in the Food and Drinks industry, we are now looking for a suitable acquisition/m prospect operating in the same general sector (ideally in food distribution manufacturer). The prospective company does not need to be operating profitability but should, with additional resourcing of funding and management, be capable of such.

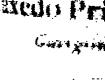
Write to Box H8771, Financial Times, One Southwark Bridge, London SEI 9HL.

4-Wheel Drive Cars Multi-Franchise Cer Deslenkip. Located on Yorks/Derbys Bourder. For Sale as going concern. Excellent Main Road Site. Avaistic on new Losse

at £28,500 p.s. with option to buy. Felly Equipped Showsoom, Weeksho Offices and Parts Dept. Approx 5,000 sq.ft. Price £49,950 to include Plant and Equipment, F & F and Parts Stock,

Tel: 0742 630415





CAR DEALERSHIP

A A TOTAL N

# **Touche** Ross

# **Egerton Trust Group**

(In Administrative Receivership)

The Joint Administrative Receivers, R. A. Powdrill, N. R. Lyle, D. L. Morgan and D. Campbell Griffith, offer for sale the business and assets of the above Group including:

#### Egerton Homes

- Residential property developer.
- Approximate annual mirnover 1990.
- £11 million. Freehold development sites in Kent and the
- Home Counties. ☐ Leasehold premises in Tonbridge, Kent.

#### G. Percy Trentham Limited

- 🖾 Long established construction contracting
- ☐ Approximate annual tumover 1990, £57 million.
- Leasehold premises at Theale, Berkshire.

#### Egerton Homes Northamptonshire Limited

- ☐ Residential property
- developer.
- Approximate annual turnover 1990,
- £5 million. Freehold development
- sites in Northamptonshire. Leasehold premises in Northampton.

#### Strathclyde Limited

- □ Residential property developer.
- Approximate annual turnover 1990.
- £13 million. ☐ Freehold development
- sites in Strathclyde. ☐ Leasehold premises in Glasgow.

#### **Egerton Developments** Limited

- Commercial property developer.
- ☐ Freehold and long leasehold commercial development properties and sites throughout

For further information please contact David Reed Harding or Nick Edwards at the address below or at Tonbridge. Tel: 0732 771115/771911. Fax: 0732 771119.

**DRT**International

stabliseedă

\* ...r\*

The second secon

Friary Court, 65 Crutched Friars, London EC3N 2NP. Tel: 071 936 3000. Fax: 071 480 6881. Authorized by the Institute of Champred Accountants in England and Wales in carry on Investment Bu

#### Carrick Products Limited

The business and assets of Carrick Products Limited, a specialist manufacturer and wholesaler of solid pine furniture, are for sale as a consequence of receivership.

The business presently operates from two freehold factories comprising approximately 17,000 sq. ft. located at Newhaven, Sussex and a further freehold factory and office complex of approximately 9000 sq. ft. situated in Brighton, Sussex.

- Annual sales currently exceed £2 million.
- High quality order book.
- Specialised manufacturing process. Skilled workforce of 90.
- Excellent locations and opportunity to

Additionally, a separate 5,200 sq. ft. freehold commercial building also situated in Brighton, Sussex suitable for a variety of purposes (currently

used as a gymnasium) la avallable for sale. Enquiries to: AJ Barrett FCA and MD Gercke FCA, Price Waterhouse, No. 1 London Bridge, London SE1 90L. Tel: 071-939 3000. Fax: 071-939 5566.

Price Waterhouse





Probably Europe's largest floating entertainment venue. 2 discos, 3 bars, restaurant and function suite on four decks. Can be moved to any location worldwide.

For further information contact: Brian Blacklaw, Christie & Co., Sutherland House, 108 Dundas Street, Edinburgh, Scotland EH3 5DQ. Tel: 031-5576666

(CHRISTHE & C2)

-FOR SALE

**GUAKER HOUSE COLLIERY LTD** BILLINGE, WIGAN, GREATER MANCHESTER (IN ADMINISTRATIVE RECEVERSHIP)

Tişa Adminiq Collary Ltd.:

For further information; please contact Flichard Traynor or Gary Bell, of Buchler Philips & Traynor, Blackfilara House, Plassonage, Manchester M3 24-91. Telephone 081 839 0990. Faceimile 061 832 7436, BUCHLER PHILLIPS & TRAYNOR

CONCRETE VIBRATING POKERS The manufacturing business of two well known brands of concrete vibrating poker is available for sale.

Turnover £482,2k- including £201.3k exports for year to 31st December 1990. Goodwill, drawings, special jigs and fixtures, inventory, order book and know how are the assets being offered for sale.

sale. Ideal to consolidate with the manufacture of other construction equipment or for companies with surplus CNC capacity (max dia. 75mm).

Write Box H8797, Financial Times, One Southwark Bridge, LONDON. SEI 9HL

FRUIT AND VEGETABLE IMPORTING AND

MARKETING COMPANY

This long established company is fully equipped to service enticed Supermaket chains as well as traditional wholesale cruises. It has become functed packing house and cold stress and supermax additional offices, all abused stock of London in easy much of the Channel Transist and the MCS motorway. The company is interested in either an octagin.

sale, or marger.

Sections principals only places write giving information on financial shifty to
prochammergo to: Box 22, 43 Earls Court Road, Lendon WY 6ED

#### Offered for Sale



ectrical plugs, accessories and electric light bulbs

- Presigious BS5750 Kitemark licence.
- Wide customer base of national blue chip accounts

proximately 24,000 eq it of werehouse, factory and office space in two ations at Morley, West Yorkshire and Long Eaton, Notinghamshire.



# The George Hotel Burslem, Stoke-on-Trent

For sale as a going concern the business and 19 year lease of a substantial town centre hotel comprising

- 39 Bedrooms
- Restaurant ■ Function facilities
- Health suite
- Turnover approximately £600,000 per annum For further details please contact the joint administrative receivers Andrew Menzles or Ken Jones

■ ROBSON RHODES ■

Centre City Tower, 7 HIII Street, Birmingham 85 4UU Telephone: 021-843 1938, Fox: 021-843 4993

FOR SALE

SHEET METAL **FABRICATION COMPANY** 

TURNOVER £500,000 +. BASED IN THE NORTH WEST, IT HAS AN EXCELLENT COMMUNICATIONS NETWORK WITH MODERN FREEHOLD FACTORY AND OFFICES. GOOD CLIENT BASE WITH ORDER BOOK. WILL CONSIDER EARNOUT PROPOSALS.

> A ANTHONY ASSOCIATES ROSEHILL HOUSE, LYDIATE, MERSEYSIDE L31 4JF TEL: 051 526 4008, FAX: 051 526 1673

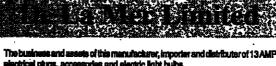
#### **BUSINESS FOR SALE** SPECIALIST ENGINEERING

Purchasers are sought for this North West based manufacturer of specialist industrial process cleaning and catering plant, in stainless steel and alumium. Tumover 21 million. Net Assets £350,000. Owners seek nominal price.

Principals only please write Box H8810. Financial Times, One Southwark Bridge, London SE1 9HL

SMOKED FOOD PROCESSORS

- Southern England
- 5 toenes per week production capacity
- reasing UK and expect relea ... Business & Assets for Sale
- Write Box H8783 Financial Times, One Southwark Bridge,



Current annualised turnover in excess of £3 million.

- Automated plug production facility ready to come on stream.
- Forfurther details contact M J Moore and D J Waterhouse (quoting reference De La Mer) at Cork Gully, 5 Albion Place, Leeds LS1 6.IP. Telephone 0532 457332,



#### STORAGE BUSINESS The Joint Receivers of N.B. Storage Systems Ltd offer for

sale the business and assets of the company which is based in Wishaw, Lanarkshire, and trades as N.B.C.,

- ☐ 2 Acre Freehold Site, convenient to M74. 350 standard 20' insulated shipping containers,
- at various UK locations.
- Ongoing customer base.
- For further details please contact: N.J. McNeill or D.J. Hill, Joint Receivers, BDO Binder Hamlyn, llantyne House, 168 West George Street, Glasgow G2 2PT.

**BDO BINDER HAMLYN** 

Fax: 041-332 5467.

Storage and Distribution Profitable specialist transport

business Long Established Strong client base Strategically Placed als only please

Melville **Associates** Limited

10 Charlotta Square Edinburgh EH2 4DR Tel 031-226 7676 Fex 031-220 0386

# FOR SALE rechold or Lessehold 3 Star Rotel 34 rooms all with en suite

cilities. Separate but adjoining staff accommodation. Full Conference facilities. Sauna and Gym. Hotel recently refurbished to high standard. Located near M25 with excellent transport services to Central London. Vrite Box H8795 Financial Tim One Southwark Bridge, London SEI 9HL

#### CENTRAL LONDON RECRUITMENT

Long-established, well-known and reputable business in gen-uine market niche. 1990 turnover £1.2 million, profit Offers around £1 million cash for business, goodwill and For further details, please

Box H8807, Financial Times, One Southwark Bridge, London SE1 9HL.

#### (CHRISTIE & C₽)

NORFOLK VILLAGE Residential Care Home,
Registered for 24
Substantial detached property in
approx. 1.75 acres. Run under
magement within close proximity to
Norwich. Well established with
contential to proxed ideal for potential to extend - ideal for conversion to nursing home. Detached 3 bed owners house, Fee rates £180-£190 p.w. £675,000 freehold

#### TRAVEL **AGENCY** LONDON W1

IATA/ABTA Fully automated T/O 21.5 million+

Write Box H8768. Financial Times, One Southwark Bridge London SE19HL

#### TWO RELATED BELGIAN INSURANCE

wish to sell their local business-Annual premium income about \$12,000,000. Life and fire (Homeowners risks) only-Excellent technical results-Impressive Company building in

**COMPANIES** 

nice surroundings. Write Box H8726, Financial Times, One Southwark Bridge, LONDON, SEI 9HL By Order of the Directors

Smith & Williamson Securities

Authorised institution under

Banking Act 1987. Member of IMRO. Member of the

British Merchant Banking and Securities Houses Association

#### Masonry Contracting **Specialists**

Midlands are available for sale

- Turnover £3 milion per annun
- Existing contracts transferable

Smith & Williamson

Investigations · Investment Management · Pensions & Life Assurance · Accounting · Auditing

The Joint Administrative Receivers

offer for sale the business and assets of the following companies:

IRC (Home Sale) Limited

**IRC Property Exchange Limited** 

**IRC Property Services Limited** 

★ 9 showhomes in attractive new developments in the South West, all fully furnished and equipped

For details, contact Anthony Murphy, Peter Yeldon or Peter Mills on 071-637 5377 at the offices of Smith

The companies are market leaders in home relocation packages for corporate personnel.

& Williamson, No. 1 Riding House Street, London W1A 3AS, Fax: 071-323 5683.

Jork Gull

★ 65 freehold domestic properties throughout England and Wales

★ Properties range from one bedroom flats to large family homes

Smith & Williamson,

Chartered Accountants

Authorised by the

Institute of Chartered Accountants

in England and Wales to carry

on investment business

City Rentals Limited

The Business and Assets of the above company are offered for sale as a whole or in part. The company operates from offices in High Wycombe, Bucks as a

Lessehold premises in High Wycombe, London, Hendon and Birminghan

For further information, please contact the Joint Administrative Receivers, NJ Vooght and R B M Graham at the following address: Cork Gully, 9 Greytrians Road, Reading RG1 1JG. Tel: 0734 500336 Fax: 0734 607703

provider of motor vehicles to independent rental operators. The business

Largest UK supplier of vehicles to independent rental companies

Extensive customer list

Turnover in the region of £9m p.s.

Cork Guily in sutherland in the rease of Coopers & Lybrar Delottle by the institute of Chartered Accountants in Eng

★ Blue-chip client base

Corporate Recovery · Litigation Support · Corporate Finance · Taxation ·

- Experienced staff
- Prestigious customer basel
- No premises compēcations interested parties should contact, in the first instance, David J Corney at-Cork Gully, 43 Temple Row, Birmingham, B2 5JT. Tet: 021-236-9966.

Fax: 021-200-4040.

ork Gull

#### FULLY EQUIPPED MODERN PURPOSE BUILT FREEHOLD GARAGE AND SHOWROOM **PREMISES OPERATED AS MAIN**

VAUXHALL DEALERSHIP

**Located Crewe** 

Full maintenance and bodyshop facilities Stock at valuation.

FOR SALE Further details and arrangements to view Contact Ref: RKH

ENARD SYMMONS & PARTINERS Rational House, 64 Bridge Street, Manchester M3 3BN.
Tel: 061-832 8454 Fax: 061-832 2571 Telex: 8954348
LOHDON MANCHESTER LIVERPOOL BRISTOL SOUTHAMPTON

#### WINE-RELATED ART & ACCESSORIES

cipally mail-order. Leading same i the field - 5 years' steady growth (1990 sales cf.400k), profitable. Computerised customer list of 7,000. Vendor can continue to provide services (inc. distribution). Offers in the region of £125K-£200K. Principals only, no agent For details fax Rosie Gilbert on (0264) 356777.

#### SOFTWARE COMPANY FOR SALE

for 25 years for sale. 6 ligure turnover. Worldwide customer base the Box HV/87 Financial Times, One outhwork Bridge, London SE1 SHL

#### CHANNEL **ISLANDS**

Successful restaurant, beautifully appointed, 50 covers, highly recommended. £0.25m. T/o, good location, 18 years left on lease. Includes garden restaurant with 100 covers and outside catering opportunities. Plus low taxes. no capital gains. taxes, no capital gains, relaxed lifestyle, beautiful surroundings - all free. Offers invited on £125,000.

Write Box H8776, Financial Times, One Southwark Bridge, LONDON. SEI 9HL

#### MANUFACTURER

Household/garden products Market Leaders Prime freshold properties West Midland £1.4m T/O. total sale Write Box H8816, Financial Times, One Southwark Bridge, London SE1 9HL

SALE OR MERGE blue chip base,

Ventilation ductworks, location Essex. Write Box No: H8778 Financial Times, One Southwark Bridge,

London SE! 9HL

FOOD & DRINKS WHOLESALERS Food/Drinks/Confectionery exporters with extensive cus-tomer base in Europe & Middle East wish to purchase well known Brand Name products in containerloads from UK & European Wholesalers.

Contact advertiser by fax on 081-960 7283

#### Profitable Recruitment

Agency For Sale Based in Scotland the turnover currently three and half million pounds, androken run of profitability over the past eight years and still expanding. Non-participating principal shareholders wish to sell. Principals only until.

Write Box H1782, Financial Times, One Southwark Bridge, LONDON, SEI 9HL

#### Independent **Boarding and** Day School

Located in North-West. Very well established and profitable, set in large grounds with over 250 pupils. Principals only.

Please write Box H8780. Financial Times, One Southwark Bridge, London

#### Dynamic and profitable West Midland Engineering/Presswork

business for sale. Write in confidence to Box H8785, Financial Times, One Southwark Bridge, London SE1 9HL

Long established FITTED KITCHEN/ BEDROOM BUSINESS FOR SALE N.W. London area Turnover in excess of £700,000.

Write Box H8800, Financial Times, One Southwark Bridge, London SE1 9NL

**SOLITEC LIMITED** 

IN ADMINISTRATIVE RECEIVERSHIP

The Joint Administrative Receivers offer for

sale the business and assets of the above

Manufacturers of solids handling and

A WOLDOWN SAME PARTY OF

# **CHRISMER GROUP OF COMPANIES**

Comprising: Chrismer UK Limited Matchless Lighting (Ipswich) Limited **Besa Lighting Limited Bycrafts Furnishing Co. Limited** 

The Joint Administrative Receivers offer the assets of the businesses for sale.

The Companies business is in the lighting industry.

■ Retail outlets

- Concessions at major departmental stores Manufacturing shades and fittings with skilled workforce
- Wide customer base with many "Blue Chip" clients
- Turnover approximately 3 million per annum

Interested parties should contact the Joint Administrative Receivers. Reference: L3329. Telephone: 071 267 4477. Telefax: 071 485 1486.



LEVY GEE

Greetings Cards,

Toys & Giftware

Retailer

The Joint Receivers offer for sale all or part

of the business and assets of Border Series

Trading from one freehold and 4 lease-

Old established family business with

For further details please contact G. Ritchie

Shops Limited on a going concern basis.

hold sites in the North East of England

Tumover approximately £1.2m p.a.

or J.M. Hall at Ernst & Young, 17 Abercromby Place,

Edinburgh EH3 6LT. Telephone: 031 556 8641.

**IJ E**RNST&YOUNG

Smith & Williamson

The Joint Administrative Receivers offer for sale the business and assets of a Limited Company trading as a

FINANCIAL SERVICES

**BROKERAGE** 

The business is involved in providing pensions and other insurance

\* Substantial client base with significant level of renewal business.

\* Interested parties will be required to sign a confidentiality

For details, contact either Michael Stevenson or Peter Yeldon on 071-637 5377 at the offices of Smith & Williamson, No. 1 Riding

**Business for sale** 

Motor dealership group

A prominent and well established motor dealership group featuring:

For turther information please contact: Graham Cole, Glenn Timms or Stuart Duplock on 071-822 8535. Alternatively, please write quoting reference AH4 to:

BUSINESSES

Tuesdays, Saturdays

and now FRIDAYS

For further information please contact

Gavin Bishop on 071-873 4780

Melanie Miles on 071-873 3308

FOR SALE

Smith & Williamson Securities Authorised Instrution under Banking Act 1987. Member of IMRO. Member of the British Merchaut Banking and Securities Houses Association

agreement prior to receiving information.

House Street, London WIA 3AS. Fax: 071-323 5683.

\* Associated with a major Chartered Accountancy practice.

\* Significant work-in-progress.

Smith & Williamson, Chartered Accountants Authorised by the estitute of Chartered Accountants in England and Wales to carry on investment business

a premium European marque:

a profitable trading history;
 full dealership facilities;

Coopers & Lybrand Deloite

London EC4A 4HT

several locations in close proximity in the South East of England;

\* Fimbra registered.

excellent product range and reputation



#### **Cathedra Limited**

(In Administrative Receivership)

The Joint Administrative Receivers, N. R. Lyle and D. L. Morgan, offer for sale the business and assets of the above furniture design and manufacturing company

- Cathedra founded in 1974, offers a comprehensive specialist furniture manufacturing service from a modern leasehold factory overleolong the Thames Barrier at Woodwich.
- The high quality products based upon a wide variety of production skills and materials include individual commissions, executive furniture suites and complete trading desk areas for financial services
- An extensive client list includes many leading companies, banks, stock brokers, architectural practices and intenor designers.

For further information, please contact Brett Corfield at the address below

PO Box 810, Fnary Court, 65 Crutched Fnars, London EC3N ZNP. Tel: 071 936 3000. Fax: 071 480 6881.

#### **FUNERAL DIRECTORS**

For sale: a very old established family firm in Hertfordshire with branch offices. Write Box H8777 Financial Times, One Southwark Bridge, London SE1 9HL

#### **PREMISES AVAILABLE**

Substantial modern freehold building on 6 acre site in Birmingham, plus leasehold in Northern Industrial City - Available with or without associated

business. Contact: Jobtei Ltd., 10 Chimes Meadow, Southwell,

warehousing

Notts., Tel 0636 815265 Fax 0636 815828

#### HOLIDAY PARK

Dyfed Coast

Freehold, stone built, licensed restaurant, bars, games room, living accomodation. 27 Cedarwood Chalets.

Tei: 0602 787202

£336,000

#### FOR SALE

The business and assets of a company providing a radical new cash collection and bill payment service to the public

- Existing client base
- Unrivalled speed, efficiency and cost effectiveness
- National potential
- Potential cash cow Write Box 8814 financial Times, One Southwark Bridge, London SE1 9HL

procuration of the testing of the contract of the testing of the t trochites/flower/pers and suggests by your customes and prospects 34 hous a day, every day\_ hatcrify and at the touch of a buston! Used by leading US corporations and now available of low cast in the LIK SHID OUT ABOUT FAXBACK BY PHONING 0372.450 635 ON ANY TOUCHTONE PHONE.

**TURKS AND CAICOS** 

ISLANDS, B.W.J.

Resort hotel and condominium

development opportunities, Land and existing properties with development potential in a British

Crown Colony and off-shore imancial centre. Good recent growt

performance. We are resort hotel

development managers with all technical capabilities to design. Build and set up operations for these properties. Our clients seek tevelopment and J/V assistance to

realise projects.

Please reply to: GTP Inc. Suite 1500

5650 Younge St. Toronto M2M 463 Canada Tel (416) 512 2409

Fax (416) 229 6598

**CASH FLOW** 

PROBLEMS?

Thinking of checking it? Then don't!

Maybe we can belo, write to:

Royston Finance and Leasing Ltd. School House, 35-32 Mortuner Street. London WIN 7RA Telephone 071 580 0557 Fax 071 531 3412

HARLEY ST. W.1. Business centre fod exr-vice and fitted offices. Bosiness Address: Serv: Tel. Sec. Mest: Fex: Beardwoon: Fles-Bet terms. Tel: 071-037 SSGS Fex: 071-036 884

\* **3**.

111557

. .

A SECTION OF

----

bn. I have accollect ref ant and experience in a wide range of industries.

Immediately Available: tigious office/meeting room

- Professional Receptionists/ Secrebaries
- Superb Boardroom
- Dedicated Telephone Lines Banqueting facilities

DELAWARE

INCORPORATIONS

40% DISCOUNT -

The Joint Administrative Receivers offer for sale as a going concern the business and assets of this leading residential nursing

home group based in Berkshire.

"Sugarama", Wokingham, Berkshire **Residential Home** 

**Residential Home** 

Residential & Nursing Home

DSS and privately funded residents Holiday break potential

Tel no: 071-353 1577 Fax No: 071-583 1720

# Comprising three substantial freehold sites:

"Woodbury House", Farley Hill, Berkshire

"Park Lodge", Binfield, Berkshire

Planning permission for further development

For full details please apply to the Joint Administrative Receivers Laurence Josef Baehr and Mark Pearce Riley of Clark Whitehill & Co 25 New Street Square

London EC4A 3LN

#### **PUBLIC NOTICE**

#### OFFICE OF WATER SERVICES WATER ACT 1989

NOTICE UNDER SECTION 15 (18 June, 1991) PROPOSED MODIFICATION OF THE CONDITIONS IN THE INSTRUMENT OF APPOINTMENT OF THE WATER AND WATER AND SEWERAGE UNDERTAKERS IN ENGLAND AND WALES.

DIVERSIFICATION AND THE PROTECTION OF THE **CORE BUSINESS** . The Director General of Water Services ("the Director") is seeking

- the agreement of each of the water and water and sewerage undertkers in England and Wales ("the Appointees") to the insertion of a new condition into its Instrument of Appointment. 2. The Director is proposing this modification, because he is
- concerned that diversification away from the core business, whether by the Appointee or any member of its group, could adversely affect the Appointee's ability to finance its core business. It could also divert the time and attention of the Appointee's management, to the detriment of the core business.
- .The new condition will require the Appointee to ensure that it has adequate financial resources (including facilities) and adequate management resources to enable it to carry out its core business functions. The Appointee's Directors will also be required to certify
- annually to the Director that, in their opinion, the Appointee will have available to it sufficient financial and management resources, to enable it to carry on those functions for the next 12
- 5. Finally, if the Appointee (or any Group Company) proposes (or has embarked upon) any activity which could affect the Appointee's ability to finance the functions of the core business, its Directors will be required to renew the annual certificate
- Any person who wishes to make any representation or objection about these proposals should do so in writing to the Director General of Water Services (reference LEG/14/1/1) at Floor 15, Centre City Tower, 7 Hill Street, Birmingham B5 4UA (Fax: 021 625 1400) so as to be received by him not later than 17 July, 1991.

#### **BUSINESS OPPORTUNITIES** OMMENDED TO SEAK APPROPRIATE PROF BEFORE ENTERING INTO COMMITMENTS

**DESIGN COMPANY** 

Offers/suggestions invited. Tel 0933 411874

#### FOR SALE AS GOING CONCERN REPROGRAPHIC PRINTERS

**SOUTH ESSEX** Fully equipped with modern high specification plant to handle film planning, platemaking, proofing and cromalin to a capacity of £500,000

turnover p.a. For further information please write to: SCOTT TEMPLE WILSHER & Co 79 St John Street London EC1M 4DR



Technical Services & Personnel Contract Companies national and international operations. Turnover exceeds £20ML

Profits £1.25M. Write Box No: HE793 Financial Timos, One Southwark Eridge, London SE1 9HL

#### FOR SALE ing rights for vative DIY product imported from

For East. Easy to min business. Can be ted anywhere in UK. Write Box HESO2 Financial Times, One Southwark Bridge, London SE1 9HL

RILDRUM COUNTY CLUB Carrigans, Co Dorwgal Rep of Ireland (4 miles west of Derry City). Attractive period residence with spacious Ning accommodation incor-porating Bussned public bar and function room for 200. 8 stables and aboves etc. Set in approx 6 acres of renowned tree per-dens unique of its kind. Great potential. Cherx £128,000 stq. Extra land available. T putsness Stevent. Extel Apost Tel.

based software house for sale. T/O 7m francs. Company has develor own UNIX based business soft including control system for continuous process. Write Box H8801 Financial Times One Southwark Bridge, London SE1 9HL

QUALITY MARQUIZE MIRE SUSRIERS for ania. Well established - excellent location -unique opportunity. Write to Box M8770, Plasnella Times. One Southwart Bridge. Landon SEI 9HI.

MAG SERVICE London/Kept £1200 nthimum. Established 250 regular custom-era, single cash business 535,000 Tet; 0959 32091 or 0599 870049.

#### processing equipment Freehold manufacturing location in Gwent Prime leasehold design and commercial location in Gloucester International customer base. Turnover approximately £6 million For further information please contact:

David Lovett or lan Best at Arthur Andersen & Co. 1 Victoria Square Birmingham B1 1BD Tel: 021-233.2101

Fax: 021-643 7647

company.





SUBSTANTIAL VOLVO MOTOR CAR DEALERSHIP NORTHERN ENGLAND

For further details please contact: Martin Wilson, Motor Trade Business Network, 29 Winckley Square, Preston PR1 3JJ

**BUSINESS SERVICES** 

#### WHY PUT UP WITH ALL THIS AGGRO?

and well equipped factory - Design - Develop include injection Moulding Machining Pleang Pai on one alts. We alreedy make a range of products including medical equipme which encompass mechanical, preumatic and electronic features all demanding a high standard of menufacture and on time delivery. So why not for ou also? Enquiries answered upon receipt.

SMS SANDLAND MANUFACTURING SERVICES LTD ELIZABETH HOUSE, ELIZABETH WAY, HAPLOW, ESSEX CM19 5TL Telephone: 0279 450733 Fax: 0279 450734 Teles: 0279 81156



NOW YOUR CUSTOMERS CAN RECEIVE YOUR SALES RNFO. AT THE TOUCH OF A BUTTON! FORMACK - The

FINANCE EXECUTIVES

codd you use a conspininglye

Policy and Procedures Manual

of enforce the financial and administrative po objectives theorgious your organisation? See in writing all types of technical documentation, I have Phone: Peter Le Page 071-223 7310 to arrange an intervie

# BERKELEY SQUARE

overlooking Berkeley Square. Suitable for three executives £2,250 per 4 weeks.

Nightingale Secretaria 3 Berkeley Square London WIX SHG Tel: 071 629 6116

STIS, COMPLETE
STIS, COMPLETE
Form a corporation within 24 hours.
For free information call or write.
CORPORATE AGENTS, ERC.
P.O. Box 1201, Villenington, DE 19000 USA
TEL. 302 908-0308 VAX: 302-008-7078

IDSINERS AND ASSETS of advent and Inscivent companies for sale. Business and Assets Tel 071 262 1164 (Mos - Frit.

DRRECT MAIL LISTS & SERVICES 100'S of ready-reads flats Immediately evallable. Suppliers to leading UK companies, Free catalogue, Market-acex, Freepost. Chi-chester, Sussex.Tel 0243 786711

PUBLICITY NOT PROMISES. Our case histo-ries show how PR works for business. Free consultation and PR/promotional plan. Fax. 061-903 6880 or phone 081-900 0475 acystms.

POACHER TURNED GAME Keeper will stool your freight torwarder's invoices. No gavings, no ise. Write to Box No 19853 Financial Times, One Southerent Bridge, London SEI SHL JCRIFYN ST. ST. JAMES'S SW1. Ingerdad, hambined, telly serviced offices, prestige block. Mail & arm, services. Tel. 071425 2101. Fact 071450 2300.

OFFICE EQUIPMENT

We have ranges of office furniture for sale in concrood, walnut and melantine. Each range is complete with desk, pedestals, returns, bookcases, sideboards, conference and coffee tables.

There is also a comprehensive range of office seating.

Due to large committed orders we are able to office very substantial discounts. We can also offer a planning service and our team of installers will be pleased to dispose of your old furniture.

Phone 0992 34281

**FINANCIAL TIMES** 

has patent applied for low cost high volume product, motor service application etc., very high projected returns.

Volume sales already confirmed in UK.

Doust confronts these diffi-

culties with his own brand of

theatrical apostrophe, while

remaining remarkably true to

his source. "One can't keep on

experimenting willy-nilly with convention. What would the audience make of that?" demands Alison Larkin's pizzi-

cato Flora, as she sets about reforming the Starkadders' farm. The challenge for the

cast is to catch the anarchic spirit without going over the top - and on the whole they

do admirably. There are some

marvellous moments, as Ren-net (Diane Axford) once more

hurtles off to throw herself in

the well as Darlene Johnson's

wild-eyed Judith plops facedown in her porridge in despair at her mollocking son

(the lusty Ben Totterdell), or as

Aunt Ada Doom rises vulture-like from her bed with her cry:

"I saw something na-a-rsty ir

"I saw something ha-a-rsty in the woodshed".

I regret the inevitable relega-tion offstage of the cowbarn, with its three-legged, tail-munching cows, and I felt that the linal scenes rather lost their momentum. But I will

their momentum. But I will treasure the memory of the

zealous Amos (Stephen Ley) berating the Quivering Breth-ren from a disintegrating bal-cony by the river, as his flock sets off in pursuit of a London-

bound tractor driven by Karen

Westwood's exquisite Elfine.

Claire Armitstead

I'm sure Stella Gibbons would

Cold Comfort Farm

WATERMILL THEATRE, NEWBURY

It would be hard to think of a more inspired venue for a stag-

ing of Stella Gibbons' marvel-

lous comic novel than the

Watermill Theatre - a place of rolling lawns and winding

water, where "nature" seems hellbent on busting the care-fully groomed borders. Add, in

this unseasonally damp and chilly June, coachloads of shiv-ering brethren huddled under

golfing umbrellas in full even-

ing dress, and the spirit of +Cold Comfort Farm + is upon

you. Like the novel itself, it is

all so wonderfully and eccentri-

Paul Doust's new adaptation embraces the book with a sty-

listic exuberance that is echoed in Amanda Knott's direction

and James Merifield's design.

cally English.

# The Long view

#### William Packer reviews the Richard Long exhibition at the Hayward Gallery

lichard Long, as the press release to his mean we have to accept him, latest exhibition inelegantly has it, "is one grantly has it, "is one Britain's most internation.

Britain's most internation.

Britain's most internation.

Britain's most internation.

Britain's most internation. of Britain's most internationally acclaimed artists", which bald claim, like it or not, is impossible to gainsay. From Tokyo to San Francisco by the longer route, every substantial collection of contemporary art must needs have its Long circle of stone or wood or mud to sustain its credibility and self-respect. Indeed, for all the claims we might vaunt on behalf of British art at large, his has so often filled out its token representation abroad, one of a tiny, select hand with Bacon, Moore, Caro and Hock-

Ney.
Such has been his standing at least these 15 years past. He filled the British Pavilion at Venice in 1976, and at the Whitechapel in 1977 was accorded his first full retro-spective. Now he fills the Hayward Gallery with a second thorough survey of his life's work (until August 11: spon-sored by Beck's Bier), and he is still only 46 years old, Should we see it only in terms of his we see it only in terms of ms personal success, this latest exhibition would be an event of considerable interest, and even importance for what it tells us of the attitudes and IF ALLENGE tells us of the current art

But what me you must the play, Mrs Lincoln? If curatorial and critical attitudes But what did you think of towards Long and his achieve ment-may sometimes cause us to raise the odd despairing eyebrow, it has to be the work that counts, or gives us pause. He may be a true sculptor within the conceptual meaning of the act, but standing within

gelo, and the greatest English landscape artist since Turner. At a lower, still honourable level, there is much in his work to stimulate and intrigue the imagination, and, in its physical presence, actually to admire.

admire.

The first thing to say is how well it makes the Hayward look, emptied at the last of all screens and partitions. How typical it is of us only to begin to appreciate the qualities of a place just as we are about to lose it. Hands off the Hayward?

— but back to the point. Not for the first time with Long in recent months, vide the central sculpture halls of the Tate last spring, we find ourselves looking as much at the archilooking as much at the archi-tecture as at what he has put

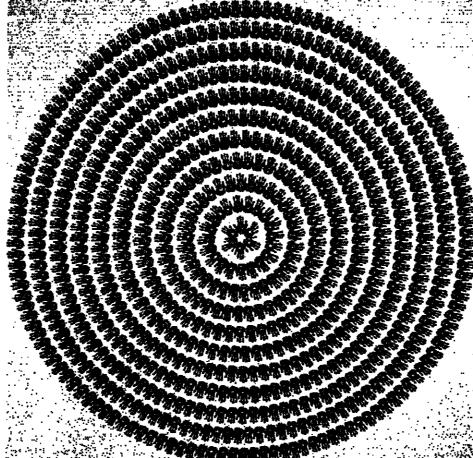
Sight-specific as ever, in the current jargon, might this not mean that Long has become, indeed in essence always was, a decorator - brave, radical and blessed with finely discriminatory taste and judgment, but a decorator still? The scale of the huge lines and circles that he sloshes onto the wall in a slurry of mud or clay is that of the scene painter, and theatrical as they are in their presence, the images too are of a theatrical imperment. are of a theatrical imperma-nence. And the installations, the lines and circles laid out on the floor whereby Long brings the material of nature – stone, wood, turf – into the gallery, they too, once the first frisson of pleasurable surprise has passed, smack rather of the scenic reference and gesture

heavily upon effect, and the trouble with effects is that they tend to wear off. Having spent so much of his time walking through the landscape, leaving traces to be con-strued as conscious art, if not always quite so ephemeral as that first line trodden into the dewy meadow nearly 25 years ago, it was reasonable to try some way of bringing such equivalent experience into the gallery. But the connection with the informing conceptual experience was always the jus-tification. Driftwood is driftwood, wherever it comes from, stone stone, each material imbued with its given formal and natural qualities. To celebrate them is all very well, but to do so, even once, is more an act of conscious aestheticism than originality, teasing the taste buds while purporting to engage the mind, flattering to deceive. To try it once or even

twice was fair enough; to go on and on has been to indulge in

little more than endless ele-

gant variation, dramatic, enjoyable and physically beautiful as it has so often It is where Long has remained closer to his first conceptual inspiration that his work remains strongest, first in the maps and photographs that he presents as both the record and equivalent of the external experience of walking through the landscape, latterly in the texts, the lists of incidents, objects, musings thought or felt or seen along the way. But even here Long cannot quite bring himself to grasp the nettle that his friend



'River Avon Mud Hand Circles' by Richard Long

and sometime colleague in drawn or photographed, to hiking boots, Hamish Fulton, stand by implication for the took up long ago.
If the self-conscious passage

across the earth's surface from A to B, and the traces of that passing, are together enough to constitute a true work of art, then that work must be left to live on its own account, free of explication or special pleading. where Fulton (Serpentine Gallery until July 14: sponsored by Celestion Industries) will allow the simple reference, whether

whole experience, proof only that he was there, Long must still spell it all out, build and photograph his lines and circles in the desert, say just where and when and what he has done, tell us of the stones carried, the rivers crossed, the maps traced. The contrivance is all.

"DEEP BREATHING TO GRIMSPOUND TO night, the sounds he hears BENNETT'S CROSS TO when he wakes up. How I wish he would leave it at that.

CALF"...the texts are terse yet sentimental, poetical but, once thought of as poetry, not poetry at all. He is a nervous romantic after all, anxious at once that we should not miss the point and that his work, his baby, should not pass out of his hands. He walks a circle in the mist, notes the direction of the wind as he walks, where he crosses the stream, the orientation of his tent each

#### Inside the theatre, where the play begins and ends, furry corpses dangle above filthy cauldrons in a parlour fes-tooned with great green loops of the dreaded sukbine. Outside, where (weather-permit-ting) the ball scene is staged, a candlelit staircase rises out of a lawn, evoking the grandeur of the Hawk-Monitor mansion. The problems of adapting a novel to the stage are compounded by the need to find a theatrical equivalent to Gib-

bons' literary parody. + Cold Comfort Farm + is, as its hero-ine bossily reminds us, a send-up of the rural novel. Its repertory of jokes extends to the use of asterisks to signal the start of any purple pas-sages — not a convention that easily translates into dramatic

#### The Last Day SCHAUSPIELHAUS, COLOGNE

Hungarian-German then the overhead wires of a

playright, Odon von Horvath, wrote lyrical fatalistic folk dra-mas and lived and died more dramatically than any of them: he was killed in 1938, aged 36, by a falling chestnut tree in a storm on the Champs Rlysée, having fled to "safety" in Paris after Hitler marched into Vienna.

London audiences saw Tales from the Vienna Woods at the National Theatre in the 1970s. The Last Day (1937) was writ-ten just before he left and is at once prophecy and tragedy of its time

A snapshot, through one man's catastrophic breaking away, of small-town pressures, it builds up an image of a gemutich culture locked into bourgeois conformity and obedience to the common outlook which Hitler found so useful in the following years.

Gunter Kramer's production, seen last month at the Vienna Festwochen and now come home for its Cologne premiere, nods at Horvath's far-sightedness with a silent film prelude
- massed crowds welcoming
Hitler into Austria - but otherwise leaves this powerful work to speak for itself.

It turns on two village characters, stationmaster Thomas and Anna, the idiot child-girl who flirts with him and screams out the gossip about his older wife. When she kisses him, Thomas is sufficiently distracted to forget to change a signal, causing a fatal accident. Cover-up, murder, suspense follow; will he escape with a garbled lie, will private guilt or social hounding get to him

first? The play depends on tragi-comic balance, an impercepti-ble slide from satire to the dark night of the soul, from mocking local colour to passionate intensity. Kramer never misses a note: twee 1930s station, Anna's hopscotch pattern on the track, Bavarian dialects and diradi dresses,

feathered hats and lederhosen;

viaduct, Thomas clinging on by his finger-nails, lantern-bearing villagers stampeding behind and the dead, illumi-nated in purple-blue precision, calling up from below.

The Kramer hallmark simple set, key motifs - works like a charm for so structured a play, with its echoes of remorse and innocent folk ways eroded. Anna's red handbag, which she carries like a toy, is held up to passing trains repeatedly in remembrance of Thomas's failed red and green signals. Yodelling starts as merry ditty, becomes a terrifying chorus of forced joviality, a rally to shut out unpleasant truths; then recurs as a dirge chanted by ghosts.

Tragic roles interplay with the archetypes Horvath sketched perfectly. As Anna, Maria Heppel combines the two: a roly-poly child who speaks truth in madness and develops during the play from intuitions clumpily expressed intuitions clumsily expressed to full-blown guilt, regret and longing. Ms Heppel played another symbolic crazy child in Kramer's Stella earlier this season; here is a complex reworking of the role.

Martin Reinke's Thomas is ostensibly more conventional but the gentle/gruff, confused/ defensive stationmaster, big heart and jumpy nerves burst-ing out of his uniform, is another child at heart, unable to keep up the social game, and so destroyed.

Among vignettes, Grete Wurm is a waddling Bavarian gossip, Susanne Barth the pinched, neurotic older wife. Toni Blankenheim plays her mournful brother, shooed away, hat thrown after him, when his mood does not accord with the village, embraced later as informer, in a role which goes to the core of this production's mix of cruelty and sentiment.

Jackie Wullschlager

# Frankfurt Ballet

programme of American choreographies takes the Opera Garnier stage this weak; William Forsythe's Frankfurt Ballet is at the Châtelet; while Pina Bausch and her troupe are installed directly across the Pina Châtelet at the Place du Châtelet at the Théâtre de la Ville. Paris is Europe's dance capital by virtue of its eagerness to
welcome the new (and accept
the sometimes frightful), and
because of reasonable. subventions, and managements' willingness to seek out the innovative. How

unlike the home-life of our own dear hallet Forsythe is the latest hero for Paris's devoted dance audience. Last October the Châtelet initiated a series of spring and autumn seasons for the Frankfurt Ballet which effectively give the company a second home, and a young ish, enthusiastic audience has taken the apostle of dance-deconstruction to its dance-deconstruction to its heart. What Forsythe offers—as I saw in a triple bill on Saturday night—is energy, splinter-bomb style, with choreographic shrappel flying in all directions. This is allied to a hermetic manner which can defy comprehension. (The latter fact encourages Forsythe apologists to make the most splendid claims for his plendid Linux of architecture of with in dance is intiged at times towards imbalance, and seems in danger of self-destructing. Slight incidents break something of the monotony, but it is all less than

and property of the Party

্ৰান্ত প্ৰক্ৰম কেন্দ্ৰ সংক্ৰম

The state of

PERSONAL PROPERTY.

, es 14. 418

THE REPORT OF THE PARTY.

---

183 M.

5.433

المتناشب بمرابوي 

and the second

. . .

-

. . .

الات مير. - الاتامة

MED!

.. -: ::

فدها ها مو

disappearance", Wittgenstein, Laban, David Liebeskind as part of the intellectual baggage of his creativity). Forsythe's ballets, with their

Paris is crowded with dancing at the moment. A new programme of American choreographies takes the prepared to be intoxicated by flashing limbs and no less dizzying pretensions to meaning. The pieces are attuned to what I suppose is our own fin de siècle spirit: something grey, desperate, and conditioned to violence, both natural and social. Forsythe's work is often placed in a shadowed, penumbral light. Figures, actions, are illusions, spectres whom we barely see: Odd and unexpected, the life of the piece looks fragmentary, perverse, as in this season's Vile Parody of Address. On entering the auditorium, the audience finds the curtain up, an immobile man in white shirt and shorts facing a pendant white bouquet, beside him a seated figure daubed black, a white cone on his nose, wearing a battered top-hat, and looking like voodoo's Baron Samedi. At the back of the stage (the Châtelet provides a superb, large dance area) a narrator in an illuminated grotto reads an inaudible text. A recording of Glenn Gould playing serenest Bach is the accompaniment. Dancers enter singly to perform short solos (Helen Pickett, the first, lovely in her fluid movement), and there is also one pas de deux. The language of the academic dance is nudged at times



Scene from William Forsythe's "The Second Detail"

understanding.
In one of his earliest ballets,

the Flore Subsimplici of 15 years ago, Forsythe produced a not-unworthy Balanchinian gloss. He has moved from there, by way of such memorable pieces as the politically angry Orpheus of 1979, to a differently angry, aesthetically brusque style, which was seen at its cleanest and clearest in his second work on Saturday's programme, the second detail. This is overtly classical in patterning – it boasts formal outlines worthy of Petipa - but anti-classical in denying any subtlety of

incomprehension as a means of means, or harmony and moderstanding. movement is coarse, teetering on the edge of that abyss into which some of Forsythe's other choreographies Slingerland) have plunged. Dance wrenches the performers' torsos as extravagant extensions are matched to the harsh musical world of Thom Willems, Forsythe's favoured composer. (It is the same world of In the middle, somewhat elevated, first given at the Opéra, which the Royal Ballet will stage next

be considerable, but the conflict between the accessories of the production - the incidents that lurk in the shadows of the dance; such tricks as film projections or a fall of snowflakes — and the limited range of vehement movement make frustrating viewing. The dance is neither rich enough nor sufficiently cohesive. It is ballet Humpty-Dumpty fashion, with fragmentation as a way of examining a whole.

This Frankfurt triple bill was completed by No Wild

season).

The intellectual substructure of such Forsythe creations may

Ones , a creation from the company choreographer Amanda Miller. It bears the

marks of the house-style super-charged movement; lighting that obscures as much as it reveals – and sustains itself by repetitions and such modish devices as the skate-board. It has the un-classical air of much Euro-dance of the moment (like unquiet spirits on the rampage) but there are welcome flashes of a sassy humour in challenging sexual stereotypes. Company performances throughout the evening, needless to say, are tremendous in dedication to the text.

Clement Crisp

# INTERNATIONAL: TODAY'S EVENTS

#### **AMSTERDAM**

Concertgebouw 20.15 Kirl to Kanawa sings Mozart and Strauss with the Netherlands Radio Philharmonic Orchestra conducted by Walter Weller. Also in the Kleine Zaal at 20.15: Joachin Achucarro plays plano music by Granados and Albeniz. Fri: Yehudi Menuhin conducts Beethoven programme, with Leland Chan soloist in the Violin Concerto, Sat gala concert with Jessye Norman and the Royal Concertaebouw Orchestra conducted by Riccardo Chailly

■ ANTWERP De Vinamse Opera 19.00 Jos van... Immerseel conducts Philippe Berling's production of Handel's Atcina, with Daniella Lojarro in the title role, Alicia Nafe as 🗆 Ruggiero and Guy de Mey as Oronte. Runs till July 2, with next performance on Fri (233 6685)

#### ■ BERLIN

Deutsche Oper 19.30 Peter Schaufuss' production of Giseile. Sat: new production of ballets by Kenneth MacMillan and Oleg next Tues (219 6341)

Vinogradov (3410-249) Staatsoper unter den Linden 19.30 Salome, with Theo Adam as Jochanaan. Tomorrow: Die Zauberflote. Thurs: Helnz Fricke conducts Der Rosenkavaller (2004 762)

exhilarating, and suggests

spielhaus 20.00 Manfred Scherzer conducts the Berlin Virtuosi in a programme on the theme of Mozart in Paris. Thurs: Mormon Tabernacle Choir. Fri: Mahler's Second Symphony (2272

261) Philharmonie Kammermusiksasi 20.00 Claudio Abbado conducts Berlin Philharmonic Orchestra in Haydn and Mozart symphonies, plus Mozart's Piano Concerto No 12 with soloist Yevgeni Kissin, also tomorrow and Thurs (2614 383)

#### ■ BOLOGNA

Teatro Communale 20.30 Gustav Kuhn conducts final performance this season of Lorenzo Arruga's Italian-language production of Die Zauberfiote (529999)

#### ■ BRUSSELS

Palais des Beaux Arta 20.30 Closing gala of this year's Queen Elisabeth Piano Competition: the first three prize-winners - Frank Braley, Stephen Prutsman and Brian Ganz - appear in a concert with the Liege Philharmonic Orchestra conducted by Pierre Bartholomee (507 8200) Monnale 19.00 Sylvain Cambreling

conducts Luc Bondy's production of L'incoronazione di Poppea, with a cast led by Catherine Malfitano. Wieslaw Ochman and Trudeliese Schmidt. Also Sun at 15.00 and

**■ COLOGNE** Opernhaus 19.30 James Conlon conducts Michael Hampe's production of Don Glovanni, with Thomas Allen in title role. Ferruccio Furlanetto as Leporello and Carol Vaness as Donna Elvira. Tomorrow, Fri and Sun: Fidelio with Nadine Secunde as Leonore (221 8400)

Philharmonie 20.00 Operetta concert with the South-Westfalian Orchestra conducted by Konstantin Schenk, Tomorrow: music by Prokofiev, Rimsky-Korsakov and Musorgsky sung by Cologne Radio Chorus (2801)

#### **■ GENEVA**

Victoria Hall 20.30 Armin Jordan conducts Orchestre de la Suisse Romande in world premiere of Hans Ulrich Lehmann's Nocture plus Stravinsky's The Rite of Spring and Frank Martin's Six Monologues from Jedermann, soloist Gilles Cachemaille. Repeated Thurs (292511)

#### **LONDON**

MUSIC Covent Garden 19.00 Jeffrey Tate conducts John Schlesinger's production of Les Contes d'Hoffmann, with Alfredo Kraus in title role. James Morris as the four villains and Sumi Jo. Anne Howells and Leontina Vaduva in the main female roles. Repeated Fri. Tomorrow and Sat Harrison Birtwistle's new opera Gawain. Thurs: Attila (240 1066) Collegum 19.30 Noel Devies

conducts Tim Albery's production of Peter Grimes, with Graeme Matheson-Bruce as Grimes and

Jonathan Summers as Balstrode, also Fri. Tomorrow: Timon of Athens, Thurs and Sat: Ladv Macbeth of Misensk (836 3161) Royal Festival Hall 19.00 Maxim Shostakovich conducts London final of the World Piano

Competition. Tomorrow: Claus Peter Flor conducts the Philharmonia, with Viktoria Mullova violin soloist. Thurs and Sun: Andre Previn conducts the RPO (928 8800) Shakespeare: the Royal Shakespeare Company revives Sam Mendes' production of Trollus

and Cressida tonight at The Pit (further performances tomorrow and Thurs), with Ralph Fiennes and Amanda Root in the title roles. Tomorrow, lan Judge's colourful production of The Comedy of Errors joins the repertoire at the Barbican (also Thurs). At the Open Air Theatre Regents Park, Peter Woodward and Nichola McAuliffe play the leading couple in the New Shakespeare Company's production of Macbeth, directed by William Gaunt and designed by Bruno Santini (tonight and tomorrow). For information about all West End shows, phone

## Thrillers 0836 430962

■ MADRID Auditorio Nacional de Musica 22.30 Plano recital by Ivo Pogorelich. Tomorrow: song recital by Carole Farley (337 0100). Tomorrow in Teatro Lirico La Zarzuela: Spanish

Theatreline from anywhere in the UK: Plays 0836 430959 Musicals

0836 430960 Comedies 0836 430961

premiere of Peter Grimes, with Jacque Trussel in title role, Nancy Gustatson as Ellen and Richard Stilwell as Balstrode (429 8225)

#### ■ MILAN

Teatro alla Scala 20.00 Gianandrea Gavazzeni conducts Franco Zeffirelli's production of La boheme, with Mirella Freni as Mimi, Richard Leech as Rodolfo and Gino Quilico as Marcello, Sun and next Mon: Riccardo Muti conducts Orchestra of La Scala in Busoni's Turandot suite, Scriabin's Poeme d'Extase and Brahms' First Piano Concerto, with Maurizio Pollini as soloist (7200 3744)

#### ■ MUNICH

Staatsoper 19.30 Riccardo Duse's production of Cinderella, music by Prokofiev. Tomorrow: Sawallisch conducts Cardillac, Thurs: II barbiere di Siviglia. Fri: The Love of Three Oranges (221316) Philharmonie 20.00 Peter Schreier conducts Messiah, with CPE Bach Orchestra, Leipzig Radio Chorus and soloists Robert Holl, Dagmar Schellenberger-Ernst, Anette Markert and Wolfgang Miligram (346620)

#### ■ NEW YORK

Metropolitan Opera 20.00 American Railet Theatre in Kenneth MacMillan's production of Romeo and Juliet. Runs till Sat, with additional matinee performances tomorrow and Sat (362 6000) New York State Theater 20.00 NY City Ballet in Balanchine's Jewels. Season runs till June 30 (870 5570)

#### **■ PARIS**

Théâtrede la Ville 20.30 Tanztheater Wuppertal in Pina Bausch's latest work Palermo

Palermo. Also tomorrow and Sat (4274 2277)

Théâtre des Champs-Elysees 20.30

Philippe Entremont conducts

Vienna Chamber Orchestra in Mozart Symphonies No 33 and 40, plus concert arias with Margaret Price (4720 3637) Chatelet 20.30 Ballet of the Frankfurt Opera in Limb's Theorem by William Forsythe, also tomorrow and Thurs. Frl: Maria Joao Pires plays Mozart. Sat: Boulez conducts

Salle Pleyel 20.30 Plano recital by Vladimir Ashkenazy, with music by Brahms and Beethoven (4561 0630)

Ravel, Mahler and Stravinsky (4028

#### ■ VIENNA Staatsoper 19.00 Lucia Popp sings

title role in Arabella, with Franz Grundheber as Mandryka and Marie McLaughlin as Zdenka. (51444 2960)

#### **ZURICH**

Tonhalle 20.15 Kurt Sanderling conducts the Tonhalle Orchestra In music by Mozart and Schubert, repeated tomorrow, Thurs and Fri

(201 1580) Opernhaus 19.30 Ralf Weikert conducts Claus Helmut Drese's production of Das Rheingold, with Robert Hale as Wotan and Heinz Zednik as Mime, also Fri. (251

# European Cable and Satellite Business TV (all times CET) (all times CET) MONDAY TO FRIDAY Eurosport 0800-0530 International Business report CNW 0500-0530 Moneyline 0800-0830 Moneyline 1230-1300 CNN Market Watch 1330-1400 Business Day a joint FT/CNN production with a review of the day's major business stories 2300-2330 World Business Today 1000-2330 World Business Today 1000-2330 World Business Today 1000-0130 Moneyline Superchannel

0700-0830 Financial Times Busi ness Report A five minute business briefing broadcast three times between

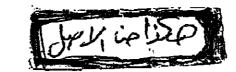
0700 and 0800
2220 - 2250 (Wed) Financial Times
Business Weekly - the latest
round-up of business news with
James Bellini and Debbie Middlenon. 0830 & 2030 (Thurs) Financial Sky News 1200 International Business

2130 (Thurs) Financial Times Busi-ness Weekly SATURDAY

CNN 0800-0830 Moneyline 0800-0830 World Business Today -a joint FT/CNN production 1540-1610 Moneyweek 1900-1930 World Business This Week 2110-2140 Your Money SUNDAY

Superchannel
1800-1830 FT Business Weekly
1830-2000 FT Business Weekly
2330-0030 FT Business Weekly
Sky Nows
1030-1100 FT Business Weekly

CAN 0710-0740 Moneyweek 1540-1610 Your Money 1900-1940 Moneyweek 0040-0110 Inside Busine



#### **FINANCIAL TIMES**

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday June 18 1991

# Lloyd's and the taxpayer

BANKRUPTCY is not a pleasant business, and those members of Lloyd's of London who stand to lose everything in the wake of huge insurance losses at the end of the 1980s are no less deserving of sympa-thy than others in comparable financial difficulties elsewhere. But if there is a public interest case for granting them special treatment at the taxpayer's expense, it has yet to be made by the rather implausible coali tion of Labour and Conservative politicians who are now lobbying the government to accept an amendment to the Finance bill.

The amendment, tabled by Mr Ian Taylor, Conservative MP, proposes that one of the budget's tax reliefs for losses, which was intended to mitigate the financial damage of reces-sion on business, should now be extended to names (members) at Lloyd's. This would permit losses to be carried back as far as three years to offset against earlier profits. Many Lloyd's names, who include more than 60 Conservative MPs, feel that if insurreliefs on their underwriting losses, they should be similarly treated. The Treasury is already considering the issue, following a letter from the chairman of Lloyd's to Mr Norman Lamont, the chancellor, in

Opportunistic argument

The arguments for the change are opportunistic. Not so long ago the economics of Lloyd's membership were dic-tated largely by the fact that underwriting losses could be offset against a private individual's income tax. In effect, the names were prepared to accept unlimited liability on the basis of this substantial tax shelter. When the top marginal rate stood at 98 per cent under Labour in the second half of the 1970s, many bore only 2 per cent of any underwriting losses they incurred. They also enjoyed substantial tax reliefs in relation to trading in the gilt-edged stock in which pre-

miums were invested. Today, with the top marginal rate of income tax at 40 per cent and the tax shelter on dealing in government stock removed, membership of

Unlimited liability persists, which is why some names now face the prospect of 19th cen-tury financial discipline. But that is not a justification for permitting Lloyd's to cherry pick from whatever corporat or other tax legislation hap-pens to offer the greatest relief for the particular trading con-ditions of the day.

#### The public interest in provid-

individuals in the insurance market is no greater (and arguably less) than those in the chemical or electrical engineering industry. Nor is it clear that Mr Taylor's amendment would anyway do much to promote the interests of Lloyd's and of the City of London. The sums involved may be signifi-cant for the individuals con-cerned, but they are scarcely of a size to influence the ability of Lloyd's to attract or retain cap-

There may in due course be a case for a more general review of Lloyd's tax status on the basis of the findings of Lloyd's own task force. For the task force will clearly have to consider the relevance of unlimited liability in today's market, given that the competitive advantage that it used to bestow has been eroded by the influx of undercapitalised names in the 1980s and the litigious climate that now prevails at Lloyd's partly as a result. Some of the more radical solutions, such as permitting cor-porate membership, might well provide a justification for specific tax legislation.

There may also be a case, given Lloyd's own ill-judged decision to reduce the capital requirements for membership in the 1980s and its mixed regulatory record, for some sharing of losses around the market in cases of distress. The old notion of risking individual wealth for individual gain does not square with the present realities at Lloyd's.

But there is no case for having the taxpayer shoulder a bigger share of the losses of names. The chancellor should not give way to such blatant special pleading from one of parliament's more powerful lobbies.

# The trouble with Airbus

been squabbling for more than five years over subsidies to the Airbus programme. The dispute will only get worse, unless the two sides move beyond mutual recrimination and start serious discussions on a basis for fair international competition in commercial aircraft sales. Substantial changes in government policies and industry practices are urgently needed - above all in Europe. Washington recently took

the first steps towards filing a fresh complaint against Airbus subsidies in the General Agreement on Tariffs and Trade. Its action appears intended partly to pressure the European Community into making wider trade concessions in the Uruguay Round and partly to respond to allegations by American airframe manufac-turers that Airbus uses government support to finance large loans to US airline customers.

There are also suspicions in Europe that the US is out to frustrate longer-term Airbus frustrate longer-term Airbus plans to develop a 600-seater jumbo aircraft, which would compete in an immensely profitable market long monopolised by Boeing's 747. There may be truth in this. After a succession of defeats in industries it once dominated the US tries it once dominated, the US is undoubtedly under strong domestic pressure to fend off challenges in one of the few sectors in which it still enjoys

clear world leadership. The dispute over subsidies should not be allowed to become a pretext for suppressing international competition. Yet European governments' indulgence towards Airbus hands Washington that pretext on a plate. By keeping the ven-ture's finances secret and resisting US demands for a 25 per cent Gatt limit on launch aid for new airliner projects, they positively invite accusations of the control tions of anti-competitive behaviour.

#### Reform overdue

Airbus says it is now making profits and operating increas-ingly on a commercial basis. Such claims are impossible to verify. The venture publishes no accounts and has only a hazy notion of its costs, while its unwieldy and fragmented structure rewards inefficiency. Reform is long overdue. The

THE US AND Europe have financing of Airbus should be made transparent and the enterprise should be exposed to market disciplines. That can best be achieved by turning it into a public limited company under a strong, independent management. Shareholdings in Airbus, currently limited to the four national aerospace companies which are also its main contractors, should be expanded to include investors more committed to commercial performance.

#### Competition powers

In addition, the European Commission should overcome its conspicuous reluctance to use its competition powers to control national support for European aerospace compa-nies. Obvious subjects of inves-tigation are the demand by Daimler Benz of Germany for launch aid for a regional air-craft project and the opaque financial relationships between governments and nationalised Aerospatiale. In the interests of fair competition, it is as important to curb subsidy races between rival European pro-ducers as to prevent back-door handouts to Airbus.

The US, for its part, needs to shed more light on government support for its aerospace industry. Many civil projects undertaken by American producers classic benefit indicated. clearly benefit, indirectly at east, from government-funded defence programmes. Evaluating such spin-offs is a complex task, because in most compa-nies both activities inter-act closely. But that only strengthens the arguments for fuller

disclosure.

Given the mounting cost of developing new commercial aircraft, it is unrealistic to suppose that subsidies will ever be completely eliminated from the industry. The objective should be to ensure they are transpar-ent and to keep them within internationally agreed limits. It will not be achieved while European governments con-tinue to treat Airbus as a weakling. The venture is more than 20 years old; its products have proved themselves in the market — as the vigour of the US offensive implicitly recog-nises. There is no excuse for delaying any longer the trans-formation of Airbus into a

pain, like the UK a decade ago, is banging the European Community's table about money. Unlike the parochial British demand for a tax rebate from Brussels, the Spanish are saying that the construction of European union - to which they are committed - demands big transfers of Community wealth from the north and centre to the south and periphery. And, they are slightly more than intimating, their assent to a more integrated EC depends on this demand being met.

Spain currently gets about a quarter of the EC's Structural Funds, the \$75bn lifeline to help the Community's back-

help the Community's backward and industrially depressed regions get a toehold in the single market. The funds were doubled by EC heads of government at a special sum-mit in 1988, in large part to sell the "1992 programme" to the Community's poorer members. But as ambitions have moved towards economic and monetary union (Emu) and political union. Spain has emerged as the leader of the EC "south" to emand much more.

Madrid wants not only a big increase in the Structural Funds, but also a new, equalis ing budgetary fund, an over-haul and expansion of the EC budget, and changes to com-mon policies to redirect spend-ing southwards. What it has in mind is an EC version of Ger-many's Finanzausgleich which reallocates money from rich to poor *Länder* 

Spanish officials maintain that a future single Europe currency, and its attendant etary and fiscal discipline, will lock the poorer member states into the bottom of the EC development league - unless the Community makes a fiscal effort to help them catch up. They further insist that only such an effort will persuade them to endorse changes to the Treaty of Rome now being negotiated, which require the unanimity of the

Spain's northern partners say Madrid risks bringing down the already delicately poised treaty talks. A row over money, on this view, is the last thing the EC needs now. As one negotiator put it: "The Spaniards want solutions to problems outside the brief of the IGCs." the twin inter-governmental conferences from which Emu and political union are straining to emerge.

Mr Pedro Perez, Spain's dep-uty economy minister, says there had been wide agreement at the outset that if poorer countries were to surrender control of their currencies under Emu, then "a policy based on the balance of payments has to be replaced by a new balancing item" - in other words, fiscal transfers.
"We don't want these instru-

ments indefinitely, only until the playing field is more or less level," Mr Perez says. Mr Antonio Zabalza, the dep-

uty treasury minister, says that Rmu "won't work with imbalances of the kind we have now". As real wages in the EC converge, Spain says only bigger transfers can offset the competitive loss of the poorer countries. The Spaniards also fear competition for investment from the low-wage east Europeans, and more developed central and Nordic economies, which if they eventually join the EC will tilt it

David Gardner on Spain's push to reallocate EC funds

# Southern discomfort

**EC BUDGET SHARES** 

C	Total expenditure (Agriculture budget					
		Million Equ. 198				
Germany	11,110	4,580	(8,700)			
France	8,623	5,677	(4,606)			
Italy	7,606	6,177	(4,506)			
UK .	6,568	3,214	(1,797)			
Spain	3,575	3,544	(1,850)			
Netherlands	2,700	3,830	(3,469)			
Belgium	1,807	683	(546)			
Denmark	871	1,045	(977)			
Greece	566	2,565	(1,701)			
Portugal	458	946	(174)			
ireland	371	1,712	(1,072)			
Luxembourg	. 73	. 8	(2)			
Unattributable*		10,348	(3)			
EC 12	44,329	44,329	(24,403)			
* Includes oversess	9Kd	Source; EC Cou	of Auditors			

#### HOW THE POORER EC STATES COMPARE "

Annual growth	rate 1986		GDP 88	89	90	Population 1986-90	GDP/ 1986	head* 1990
Greece	8.0	-0.1	4.0	29	1.6	0.3	56	53
Spain	3.3	5.5	5.0	4.9	3.8	0.4	72	· 77
Ireland	-0.3	4.9	3.7	5.7	4.6	0.1	53	뚕
Portugal	4.1	5.3	3.9	5.4	4.0	0.3	.53	56
Total	2.9	4.8	4.7	4.8	3.6	0.3	66	69
Other EC state:	2.6	2.6	3.7	3.2	29	0.3	108	107
EC total	2.6	2.9	3.8	3.4	3.0	0.3	. 100	100
* EC total = 100						· Source: Europ	ann Còmr	ndeston

Last month, Spain snubbed an attempt at compromise brokered by the Commission and the present Luxembourg presidency of the EC. It hardened up its ideas and re-presented them in treaty form. The three central demands are for: An equalising budgetary fund, or "inter-state compensa tion fund" to invest in "physi-cal and human capital" in those member states whose gross domestic product per capita is below 90 per cent of

the EC average;

• A progressive taxation system for the EC budget which Spain thinks should be at least doubled - with contri-butions by member states measured by their "relative pros-

 A change in policy for aid to backward regions, which would match member governments' current obligations to contribute to the financing of EC-backed projects to their "financial capacity". Unlike its poorer colleagues Ireland, Portugal and Greece Spain gets little out of the

it put in Ecu3.6bn (\$4.3bn) and got back Ecu3.5bn. Next year, after the transition terms Spain negotiated on entry to the EC run out, Madrid fears it will become a net contributor again

EC hudget in net terms. In 1989

Spain also feels penalised by regressive current mechanisms

Davy Corporation.

some big airlines feel that, as

chairman, he has not always been as sensitive as he should

be to their needs. With Sir John Egan, ex Jag-

uar, providing the marketing flair in the chief executive's

seat, Smith's job will be to

Artistic crime

# The French have come un

trumps again, with a juicy scandal which tarnishes the

scandal which tarnishes the reputation of the great and the good. The scandal itself seems a fairly routine affair, of alleged confidence trickster.

ing, property corruption and fraudulent conversion. What

gives it class is the identity of the victim of these malver-

sions: the Institut de France.

Academie Française, the liter-

ary hall of fame founded by Louis XIII with a fixed mem-

bership of 40 "immortals". Well, this is just one of five

academies - literary, artistic, political and scientific and

Everyone has heard of the

five at Heathrow.

ensure BAA makes a timely

decision on the new terminal

a former nationalised industry

for supplying the EC hudget, more than half financed out of member states' value-added tax receipts.

Finally. Spain does badly out of EC common policies. It finances 8 per cent of the research and development budget but gets back only 5 per cent of the spending, precisely because its research base is low. About 80 per cent of the \$40bn Common Agricultural Policy goes to 20 per cent of farmers in the north and cen-tre of the Community. So far Spain's demands have

elicited a distinctly muted response even from the poorer response even from the pooler EC member states. Only Ireland has backed Spain's pro-posal for an equalising budget-ary fund and it now appears to be reconsidering whether the IGCs are the opportune forum to tackle budgetary questions. There was no applause from the other beneficiaries" when Spain last pressed its case in mid-May, one EC diplomat remarks drily.

The Commission is, meanwhile, reiterating its compromise. This foresees: a rise of about 50 per cent in the Struc-tural Funds after the current budget runs out in 1993; the possibility of a new "shock-ab-sorber" fund for contingencies like sharp oil price rises, which penalise the energy-inefficient south; and broader eligibility for EC regional funding, to include, for example, inner

cities and release more money for rural development and edu-cation. Brussels officials believe that this package could achieve what Spain wants. But do the Structural Funds

Last year 2,300 Spanish pro-jects were presented for EC aid. Just under half got it, and total aided investment reached Pta400bn (\$3.8bn), creating

Pta400bn (\$3.8bn), creating 40,000 jobs.

Mr Perez acknowledges that the Funds have helped eliminate the worst bottlenecks in roads and telecommunications. "In 10 years prior to entry spending on infrastructure covered only the maintenance of a backward system Now, any backward system. Now any-one who moves around Spain can see the use to which these can see the use to which these funds have been put. They have enabled us to go faster."

But "they are not a panacea", cautions Mr Eneko Landaburu, the Spanish Basque director-general of regional policy in Brussels. His office has acknowledged in a recent

icy in Brussels. His office has acknowledged in a recent study that even after a period of sustained economic growth, catching up is a long process. The four poorer EC members grew on average 1.2 percentage points a year faster than their partners of CDP ner certify they partners in 1800-90. But in terms of GDP per capita, they moved only from 66 per cent of the EC average to 69 per cent. Spain did best (see table), mov-ing from 72 to 77 per cent. but at the cost of a widening balance of payments deficit. The Commission concluded that only if the four sustained the growth differential of the late 1980s over the next two decades could they reach a GDP per head of 90 per cent of

the EC average.

Mr Bruce Millan, commissioner for regional policy, is to present a review of the Funds later this year. In the mean-time, one of his senior aides admits, there is little evidence that they are closing the gap. "But they send an important signal to the business and investing community, that things are not standing still, and that it may be possible to seek out comparative advan-

tage in unpromising regions." He also acknowledges what the Spaniards have already discovered, that a spur added to the road network in, say, Madrid, transforms more people's lives more than a rural road used by tractors and the village postman.

The Structural Funds allow Spain to spread its regional spending more evenly. The Spanish authorities, socialist name, nationalist and competitive in outlook, are able to dedicate strategic sums to strengthening already developed areas for sharper European competition. Spanish delegates in Brussels display this competitive animus almost daily, demanding that money be attached to RC decisions. particularly on the environ-ment, social and transport policy, so that the "south" can

Spain is unlikely to gets its equalisin from the IGCs. But it "will need a form of words", as Mr Millan puts it, to build a convincing bridge from the conferences to a new EC budget summit which should be held next year. Mr Jacques Delors, president of the Commission, monted such a summit at the end of last year. Spain's hard line now is putting an ever higher price tag on it.

handle until his letters patent

A capital question work? And has Spain done well out of them?

> Should Bonn or Berlin be the German seat of government? David Marsh investigates

erman parliamentarians have never faced such a test. When the Bundestag attempts to decide on Thursday whether Boun or Berlin should be united Germany's seat of government, politicians will be voting not only about the fate of buildings in the season of the se ings, jobs and billions of D-Marks – but also about two alternative views of history. Much more than simply pro-viding a home for ministers and bureaucrats, a capital city goes a long way towards deter-mining the face a country shows to the world. Towards the end of a century in which Germanic instability has

brought extraordinary convul-sions for them and their neigh-bours, the Germans, hardly surprisingly, are divided about what that face should be. One option is firmly implanted in Bonn, a small and orderly town, now encased in a concrete mesh of motorway. The Unity Treaty which came into force on October 8 last year made Berlin the formal

capital again, but left the government firmly in Bonn. For 40 post-war years, Bonn's provincial familiarity provided comforting proof that Germany's horizons would be as limited as its geo-political options. It appeared the most apt possible symbol for the historical backwater into which the Germans in east and west through war, division and Adolf Hitler, had been con-

signed.
The association almost certainly bestows upon the town an undue share of the honours for west Germany's success. Yet, for Germans (especially those born after 1945), and for the world outside, Bonn stands for all the new and positive currents of German experience: western integration, federalism, modesty and a definite disavowal of big-power politics.

Berlin's stones and streets tell a very different story from Bonn's. It is a place of ostenta-tion, ambition and temptation, where power has been concenrated, misused and ultimately broken. As an additional symbolic handicap, the eastern half of the city, much of it crumb-ling, carries the legacy of four decades of post-1945 communist misrule

Berlin was not only the com-mand centre of Prussia, the Kaisers and the Third Reich; Walter Ulbricht and Erich Honecker, the unlamented reigned here too. Precisely because of these memories, and the post-1945 experience. none of the backers of Berlin led by President Richard von Weizsäcker - wants to undo federalism, raise triumphal arches and put Germany on the road to megalomania

What distinguishes Berlin from Bonn supporters is that

the former believe that there is no historical inevitability which would make a Germany run from Berlin likely to repeat the mistakes of the past. Four decades of Bonn-based rour decades of Bonn-based stability have been so successful, the pro-Berlin faction claims, that moving the politi-cal centre to Berlin can be accommodated without risk. At is undoubtedly the view that Germany should no longer be deprived by its 20th-century history of having as fully fledged a capital as Britain, France, Italy or Spain.

The Berlin lobbyists argue that history, far from opposing them, is actually on their side.

Did not two generations of West German politicians promise that Bonn was the provi-sional capital, and that the government would return to Berlin after re-unification? Would not political decisionmaking in Berlin be more likely to make a success of unity, by easing east Germans' worries about being second-class citizens? And would not Berlin be better suited than Bonn to ensure that Germany plays an east-ward-, as well as a westwardlooking role in the new inte-

grated Europe? For each of these arguments of course, there are weighty counter-arguments. Most west-ern Länder (states) worry about further migration east-wards of already tight financial resources. Many ordinary west Germans fear that a shift to Berlin would be viewed abroad as a step away from Nato and

the European Community. Given Berlin's powerful rep utation for unrest, and the inflammable social tinder piled up in both east and west of the city, there is considerable concern about the potential for political disorder and terrorist attacks. The letter-bomb mur-der last week of a leading Ber-lin official handling land sales in the city has heightened sensitivity further.

Above all because of the costs involved, as well as a feeling that Germany cannot afford another big political experiment at a time of great upheaval, a majority of Bundestag deputies is thought to be in favour of Bonn.

In view of the passions on both sides, the Bundestag will probably decide to split capital city functions, adopting one of the compromise formulae now a in Bonn. It is doubtful whether a compromise – such as keeping the Bundestag in Bonn, and exporting the Bundesrat (upper house) to the Spree - would prove feasible. But, as it copes with re-unification, Germany has a natural interest in keep ing open its historical and political options. The door to Berlin will not be fully opened - but it will be left alar.

# **OBSERVER**

■ Far from panicking at the prospect of megabuck investments in petrol engines being made worthless overnight, the motor industry appears under-whelmed by reports of the 1p-a mile car that runs on water.

Expensive

'miracle'

Dr Roger Billings - president of Energy Innovations of Kansas City, and founder of the grandiosely-named American Academy of Science at nearby Independence, Missouri - has excited some news papers with a prototype vehicle powered by a fuel cell which emits only water vapour from its "exhaust". Motor manufacturers are

scarcely surprised by the news Not only are the processes involved in such cells already well known, but Mercedes for one is well advanced with its own version.

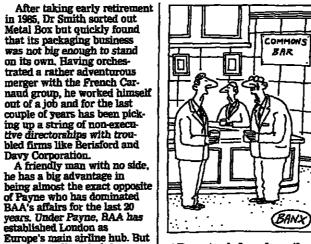
Water is transformed by simple electrolysis into hydrogen and oxygen, the explosive hydrogen being stored safely within metallic hydrides. When the cell is activated the process is reversed, electricity being regenerated to power an elec-tric motor driving the car.

But there remain certain problems, not least how the electricity for the electrolysis could be produced cheaply enough to make the vehicle economic. Moreover, while hydrogen is a high energy gas, it is very light. The energy equivalent of one litre of petrol is 1.5 cubic meters of hydrogen

 a big storage problem.
 "Put it this way", said a Ford spokesman. "We're not exactly rushing to buy shares in Anglian Water".

#### Payneless

There are at least 10 Brian Smiths in Who's Who. The one chosen to replace Sir Norman Payne as chairman of BAA is yet another career ICI man who has proved he can make it in the outside world.



"Do not ask for whom the Lutine Bell tolls...."

French Revolution, with the Institut as their parent body. It appears that a certain Frédéric Gérard had wormed his way into the confidence of Edouard Bonnefous, the 83year-old Chancellor of the Institut, and had employed his talents to milk the place in a number of unseemly ways. Gérard and three accomplices have been charged with diversion of public funds and

corruption.
The Institut turns out to own some very distinguished property, starting with the château de Chantilly, Monet's house at Giverny, and the Jacquemari-André museum of Renaissance art.

New handles ■ The new batch of working Labour peers seem to have invested more time than their Tory counterparts in agonising over the correctness of their title. Clive Hollick, the socialist

boss of MAI, for example, refuses to break the strict club

have been gazetted. Meghnad Desai, the left-wing economics professor and the first of his bunch out of the gate, has decided to call himself Lord Desai of St Clement Danes, after the church closest to his workplace - the London School of Economics. St Clement Danes also hap-pens to be the RAF church and being a good non-violent chap, Desai was a little worried about the military connection. Indeed, there were siren voices suggesting that since there is a fair chance the LSR will move lock, stock and barrel to County Hall, he might think of calling himself Lord Desai of County Hall.

However, this might have been considered a bit of lèsemajesté since the LSE's director John Ashworth is behind the planned move, and probably would not mind appropriating the title for himself if and when he gets his come-uppance,

Trade stats ■ Little known fact. If Peter Lilley can survive as Britain's Trade and Industry Secretary until the Tory Party conference in October, then he will be one of the longest serving men in the job. The average tenure of his six predecessors was 14% months and Leon

Brittan and Cecil Parkinson

distinguished themselves by serving for only five months

GBH

Spotting in the road the battered body of a man who had fallen among thieves, the Good Samaritan was pleased to see a local social worker aiready bending over him. But as he approached, the bending figure straightened and ran towards

town.
"Is he hurt bad?," the Samar-"Yes," replied the social worker. "I must find the people who did it — they need help."

#### COMMUNICATIONS. \*\*\*<u>\*\*\*</u>\*\* TOMORROW'S WORKFORCE \*\*\*\* Z THE BEST INCENTIVES ≥ Mid Glamorgan has a Mid Glamorgan offers readily available workforce of skilled and semi-skilled unbeatable financial

of industries. Excellent communications link the County with the whole of the U.K. and Europe is within fast and easy reach. As the closest \*Developmeni

staff suited to a whole range

Area' to London and the South East

incentives together with the largest range of sites and industrial property in Wales. Find out how you can join the growing number of successful companies who have chosen Mid Glamorgan for a new start-up, expansion or relocation project.

Clip the coupon below or telephone our 24 hour enquiry hotline on Cardiff (0222) 820770 today.

<del>-</del>
·
PT.186
PUSINESS DEVELOPMENT IN TEAM

#### few months ago, on a hunch, a customs offi-cer at Quito airport decided to question four young nums waiting to board a flight to Madrid. When they were strip searched, the nuns turned out to be small-time Colombian out to be small-time Colombian drugs couriers with a total of 10 kg of high-grade cocaine strapped to their legs. They had been promised \$6,200 (£3,500) for every kilogram handed over in Spain. The same of

Catching those couriers was a welcome, albeit minor, suc-cess for the Ecuadorean authorities. Yet the incident also illustrates of the continuing difficulties facing the inter-national community's attempts to stamp out the illicit trade in

The Colombian traffickers seem perpetually to be one step ahead of the authorities. The financial rewards from the multi-billion-dollar cocaine trade still far outweigh the risks. As a result cocaine pro-duction, hard hit by police action in Colombia during 1989, has since spread to Argentina, Bolivia, Brazil and Venezuela During the past nine months it has also recovered in Colombia

opments cast a cruel light on the campaign against the nar-cotics trade that the west has been pursuing with renewed Bush declared war on the Latin American cocaine traffichers in September 1989. He dramatically increased the resources available to fight drugs and appointed a special drugs overlord with cabinet rank. Then, in April 1990, a London agreed to step up the fight against cocaine. What impact has all this activity had?

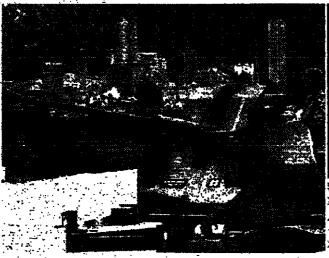
One effect has been to shift the emphasis of US aid to Latin America. During 1991-92 Wash-ington's total aid to Latin America will increase 15 per cent to \$1.4bn, while anti-drugs aid will grow 45 per cent to

There has also been a significant increase in the size of cocaine seizures by the authorities worldwide. Last year 200 tonnes, nearly a quarter of estimated world production, was selzed either in Colombia or en route to the US. Stricter control is being exercised over the export of "pre-cursor" chemi-cals like acetone essential for cocaine production; and there has been some success in co-ordinating policies to combat laundering of drugs profits estimated by a Group of Seven task force to be running at

\$80bn a year.
Yet it is still not possible to say that the war is even begin-

# A war that is far from being won

Robert Graham on problems facing the international effort to stamp out the cocaine trade





as Washington's desire to "mil-

as washington's deare to impitarise" the drugs problem.

The despatch of US advisers with sophisticated detection equipment to all three countries has aroused especial sensitivities. Such fears helped

delay the Peruvian-US drugs agreement signed last month. Operations by US special forces in Bolivia, which began in April, have provoked peasant and trades union protests.

No matter how much policing is intensified, experience suggests the traffickers will find ways around it. War on the drug barons in Colombia, responsible for over 80 per cent of all cocaine produced, has merely displaced the production and distribution chain.

Laboratories have shifted to Argentina, Brazil or Venezuela.

Bolivia and Peru, instead of just producing the leaf or paste, are now involved in the whole production cycle. Export

routes are being opened via Brazil or Surinam.

Colombia demonstrates the problems inherent in a policy that relies disproportionately on policing. The state simply lacks the stamina to wage an

indefinite high-intensity war against well-organised, ruth-less and fabulously wealthy traffickers. The political, eco-

Bogota's anti-aircraft guard against traffickers and, right, Medellin cartel head Pablo Escobar

ons retain sufficient financial resources to corrupt the high-est of officials in the drug pro-duction and transit countries. Money-hundering has started to creep back into Panama, having been switched to Uruguay after US troops invaded in December 1989. In Colombia and Peru the drug chieftains still subvert the state with their private armises and their private armies and through alliances with local

guerrilla movements.
Part of the problem, of course, lies in the sheer size of the financial rewards. But it is also arguable that western asso arguette that western policymakers are still putting too much emphasis on curbing supply in a market that is essentially demand-led. Of the US government's \$10.2bn drugs budget, for instance, 70 per cent is spent on measures to reduce supply and only 30 per cent on curbing demand. Last year's London drugs summit recognised the need to focus more on reducing demand in the consumer countries. Yet this has been primarily reflected in tougher polic-

ing in the US, the principal consuming country where there are believed to be up to 10m cocaine users. In the past 18 months cocaine demand in the US, reckoned by the Drug Enforcement Administration to

school use has declined. How- in the drugs battle. More funds would also deflect nationalistic opposition to what is perceived ever, increased addiction is evi-

dent in inner-city ghettos. In Europe, especially Spain and Italy, the growth in cocaine use shows no sign of slowing. On the supply side Washington now appears more willing to listen to the arguments of the Andean cocaine producers – Bolivia, Colombia and Peru. The latter insist that policing and military action to halt the

traffickers has to be carried out in tandem with a serious attempt at crop substitution. Until now the US has pre-ferred to concentrate on hitting the traffickers and on pressing for crop eradication pro-grammes rather than crop substitution, which would require a heavy financial commitment to wean the Andean nations off drugs. Bolivia, Colombia and Peru claim they would require at least \$3bn a year for the foreseeable future to eliminate narcotics production. Impover-ished Bolivia is the most dependent on the illicit trade: coca leaf production and the cocaine business contribute 20 per cent of its gross domestic product, according to official

The Andean governments maintain that only substantially increased US aid flows will convince their citizens be about 80 tonnes a year, has begun to level off and high proportionately large burden

nomic and social costs are too high and cannot be sustained when the prospects of reducing consumer demand are so distant. (Experts believe US demand is unlikely to be cut by more than 20 per cent between now and the mid-199(s).

Former President Virgilio Barro achieved impressive ini-

nomic and social costs are too

Barco achieved impressive initial results when he began his concerted assault on the drugs barons in August 1989 using the military and police to the full. Within a month Colombian cocaine exports fell 75 per cent, according to US narcotics officials. The relative luli lasted for several months as stocks were drawn down in the

US and Europe.

But gradually trade picked up. The traffickers, headed by the powerful Medellin cartel, the most powerful drugs group responsible for 60 per cent of cocaine entering the US, fought back in a vicious cam-paign of assassinations and car bombings against the police and local officials in the main

Last August Mr Cesar Gaviria became president, convinced his predecessor's US-backed policy could not be sustained. He adopted a carrot and stick approach: lowering the level of police and army action while offering generous incentives to the traffickers to hand themselves in The traffickers. themselves in. The traffickers now need only confess to a single crime even if they are suspected of several, will be housed in "five-star" prisons and have had their main fear removed - that of extradition to the US.

Three prominent members of the Medellin cartel, the Ochoa brothers, have handed themselves in already. Even Pablo Escobar, Colombia's most wanted criminal and unofficial head of the cartel, is said to be ready to surrender.

has brought a sense of greater apparent tranquility to the country; but President Gaviria has come dangerously close to appeasing the drugs barons. Indeed, foreign drug enforce-ment officials complain in private that Mr Gaviria is undo-ing the work of his predecessors. Cocaine produc-tion, they complain, is running well above the levels of August 1969. According to US officials, production this year could well

exceed 500 tonnes.

President Gaviria may argue that he has no alternative to his current policy. But it underlines in the clearest possible terms the limitations to the current international strategy against cocaine. So far, the world seems to have been grap-pling with the symptoms of the drugs menace, not the underlyates gloom. He can brighten a room just by leaving it". Not that Mr Brown disappointed ground that competition being

Joe Rogaly

Hanson for Labour

loses. A shaken ICI restructures its management, divests least well and emerges slim-mer and stronger than it is

come of a Hanson bid

for ICI would

run as fol-lows: Lord

Hanson bids

That is roughly what hap-pened when Sir James Gold-smith led a trio of raiders for BAT industries two years ago. Sir James & co served the interests of capitalism by demonstrating that the mar-ket works; the question today is whether Lord Hanson is in a mood to risk a similar sacrifice of reputation. If he does, and loses, many in the City would be mightily enter-tained, although their delight may be mitigated to the extent of their own stakes in Hanson. If he wins - well,

that's show business.

ICI shareholders apart, the principal beneficiary of a bid would be the Labour party. Its industry spokesman, Mr Gor-don Brown, is aware that this could become a front-page TV prime time news sizzler. I suspect that Mr Peter Lilley, the trade and industry secretary, is of the opinion that while Mr Brown is basking in the luxury of opposition he him-self will be trapped by the responsibilities of office. The public will be against the predator, but Mr Lilley will be immobilised - partly by the state of the law and partly by his own ideological

I will come to the legal technicalities in a moment, but first the ideology. It was nicely expressed by Mr Lilley in one of his better parliamen-tary performances last week. Mr Brown, said Mr Lilley, criticised the government for its "hands-off" policy for indus-try. By contrast he – that is, Mr Brown - would operate a hands-on policy, "but so did the Boston strangler". Since the Boston strangler. Since Mr Brown and the shadow chancellor, Mr John Smith, have patented a happy line in parliamentary wit it is encouraging to see the muchpanned Mr Lilley making good use of his speech-writer. Mr Brown, said he, "is mired in gloom; he positively radihis fans: he did a long lead-in on Mr Norman Lamont's cele-brated sighting of "faint stir-rings" in the economy, just to support the punch-line, "this is a textbook case of an other-wise sane man hallucinating a

whole economic recovery . . . But back to Mr Lilley. Those strangling hands may be found to have settled around his own neck. He can hardly talk of government intervention as the work of the Boston strangler and at the same time tell the voters what I suspect most of them want to hear - that he disapproves of a known financial predator taking control of a highly-regarded manufactur-ing company, a national asset. This is not to say that he should intervene: purists insist that it is for the market,

#### ICI shareholders apart, the principal beneficiary of a bid would be the

Labour party

not the government, to sort Lord Hanson's initiative out But that is not the political

Mr Lilley's excuse could be the European Community merger regulations, which have been in force since last September. "Like it or not," he said in the Commons, "any bid where the combined turnover exceeds Ecu5bn (£3.49bn) is outside British jurisdiction. It would fall to be considered by the European Commis-sion." That rather spoils his argument that if he com-mented now and a bid did come before British authorities the courts might rule that he has "fettered his discre-tion". The technicalities are. however, daunting. The EC rules do allow for an exit to national jurisdictions, but the relevant clauses are tightly drawn, largely at Mrs Margaret Thatcher's behest. In any case, Mr Lilley has shown no inclination to wrest the matter away from Sir Leon Brittan, the EC commissioner for commissioner for commissioner. for competition. Even if he did Britain's Monopolies and Mergers Commission (MMC)

THE FACTS.

the sole criterion there i nothing much to say

Enter Mr Gordon Brown, far from gloomy. Never mind the rights and wrongs; his is the easier song to sing. It would be unthinkable in other European countries, he croons, for the largest manufacturer and second largest exporter, with ment in research, to be at risk from a company with one of the worst records for R & D. So the familiar tune goes on . . . 100,000 jobs involved . . ministers happy to leave British manufacturing industry vulnera-ble...etc. Mr Brown has produced a list of 30 Conser-vative seats in which substantial numbers of ICI employees live. In 15 of them the majorities are under 7,000. There are, to borrow Mr Lamont's

evocative phrase, "faint stir-rings" of concern on the Conrings" of concern on the Con-servative benches.

But what would Mr Brown do? Largely the same as Mr Michael Heseltine if he was industry minister. Let me not malign the latter: he has said nothing of this to me. It is just that my recollection of the kind of thing he used to say before he re-entered the government suggests that he would draw up a list of options. First, he would try to get through one of those European Community exit clauses. If he did, he might try

to change the criteria for Brit-ish MMC decisions, to include notions of the national interest, research and develop ment, exports, and the like. If he failed, he might lobby to have the European rules changed. Hanson might still emerge victorious, but the government would be seen to

All this is the purest fantasy, but it does serve to indicate the level of political damage that could be done to the Tories by a strongly contested Hanson bid. It is possi-ble that a combination of public pressures and City murmurings will persuade Lord Hanson that a bid is not worth making; falling that institutional shareholders are unlikely to line up behind him at a less than absurd price. He should end up satisfying ICI shareholders, or Labour or both.

Authority have set in tackling de-regulation of the airwaves.

Allowing any land-based pirate operator to continue broadcasting for 3½ years is astonishing, but then to award it a licence surely makes a mockery of the whole system, post the Broadcast Bill.

-

W S CE

Maria Salah

As an ex-offshore broad-caster, having worked with Ian caster, having worked with lan
Anderson on Radio's Northeea
and Caroline, I applaud lan's
tenacity, fighting spirit and
tireless effort in forcing the
Radio Authority to advertise
the Shetland Islands' licence
but I cannot condone the confused deliberation by the Authority on this and other

Take the case of Hanson which with Radio Clyde, is a leading shareholder in both London's Melody Radio and UK-FM, one of the applicants for the INR FM licence.

If UK-FM is awarded a national licence the authority has suggested that it might allow Melody to change its Promise of Performance (change music policy), whereas any deviation by any other radio station has been met

It seems, in this case, that the authority will allow Melody to alter its format based on the fact that its two main shareholders will be offering a similar format nation-wide.

If the authority does award the national licence to UK-FM then perhaps it should also consider re-advertising Melo-

dy's London frequency.

This would not only benefit
the dozens of London hopefuls - they will get no other chance to apply for a licence before 1996 - but also show broadcasters and investors in the industry that the authority plans to to carry out the bustness of regulation in a fair and unbiased fashion.

nanaging director. Montreux Companies (UK). One St Paul's Court. Moreton in Marsh, ...

Robb Eden,

# Equivocation A minimum wage would Integration by in de-regulation of the airwayes hit investment and jobs From Mr Robb Eden. Sir, Raymond Snoddy's report, "Shetland pirate radio goes legitimate" (June 11), highlights the equivocal standards that both the Conservative government and the Radio Authority have

Sir. Lord Desai is right to draw attention (Letters, June 6) to macro-economic influences that have contributed to the high level of unemploy-ment in France. But he is wrong to argue that "minimum wages are incidental to this

Contrary to Mr Tony Blair's assertion (Letters, June 12), the latest OECD report points out that the composition of French unemployment shows rela-tively high levels of unemploy-ment of youths and females precisely the groups that might be expected to lose jobs as a result of minimum wages.

Lord Desai goes on to com-pound his error by asserting that "high wages boost productivity by encouraging invest-ment". This may work in theory but in the real world excessive wages squeeze profits and reduce investment and hence lead to lower productiv-ity. Those who can remember Britain in the 1970s will have noticed that the consequences of excessive wages and low productivity were high infla-tion, economic stagnation and industrial anarchy.

It appears from Mr Blair's

letter that the Labour party is using Lord Desai as its guru for wages policy. Surely the experience of the economic chaos of the 1970s has already discredited this approach? Douglas McWilliams,

Centre Point 103 New Oxford Street

From Mr David Franklin. Sir, your leader (June 3) on Labour's labour market was an accurate assessment of fact. Mr Tony Blair (Letters, June 12) voices his objections but does not appear to understand that the reason for the fall in union membership is proof of mem-bers not wishing to be repre-sented by a union. If it is an employee's "right" to be repre-sented by a union, it is equally

Fax service LETTERS may be taxed on 071-873 5938. They should be clearly typed and not hand-writtee. Please set law machine for the resolution.

# other rules

Sir, In your very sensible editorial on the North Amerisented by one.

Mr Blair quotes an OECD report on France which claims that it found no impact on unemployment resulting from introduction of a minimum wage, but he fails to add that grammloyment in France is unemployment in France is higher than in the UK. Whether the result of introhigh a price to pay? A J H Latham,

whether the result of natural ducing a minimum wage will result in 2m unemployed or 0.5m is hypothetical but higher wages for identical work or productivity will not keep the same number of people in identical jobs and to say otherwise is absorbed. Singleton Park. is absurdly unrealistic.

No better example of the naiveté of this view was demonstrated in the House of Com-

# reparations

From Miss Joan Newman. Sir, Has Mr Abiola (Letters June 14) reflected on the role of the Arab slave traders in providing slaves to be shipped overseas? Since a number of Arab countries are, by an accident of geology (their oil), now extremely rich, could they not be asked, either as reparations or humanitarian aid, to fund food relief for Africa?

Of course, the west should help also, and I hope this might be by assisting appropriate economic development and

rise or fewer staff will be serv-ing them. And if the shadow chancellor subscribes to Mr Blair's and Mr Ashton's views, the next time John Smith is wined and dined in City board population control. rooms, his hosts should ask him if he agrees with them. If he doesn't, he should say so. Keil House, Ardgour, by Fort William,

David Franklin, 8 Wincott Street, SE11

#### Competition in supply of energy that this can apply to the generation of electricity and to the From Mr Alain Mongon.

Sir, The European Confederation of Industrial Energy Consumers (IFIEC), which represents industrial users of power and gas and also industries which generate their own power, is very concerned that safe, secure supplies of energy be ensured to these industries at internationally competitive prices. Indeed, much employ-ment and economic growth depends upon this being

mons on June 11 when Mr Joe

Ashton was supporting Mr Blair on the £3.40 minimum

wage topic. He said: "McDon-

alds will be selling as many hamburgers after the mini-

mum wage as they are now. The only difference will be that

McDonalds employees will get a damn good pay rise and jobs will be exactly the same."

If this were to happen, either the price of the hamburger will

achieved In our experience, we take the view that the existence of consumer choice is more likely to create the right incentives

# From Dr A J H Latham.

can free trade agreement ("Trading blocs and the Gatt", June 14) I was particularly struck by the concluding point that perhaps Nafta might be extended in the future to include any country willing to abide by its rules. Would this not be a sensible alternative objective for Britain to aim at, should the political costs of European integration prove to

senior lecturer in international economics, University College of Swansea,

# Slave trade

supply of gas.
We thereby imply no criticism of the current suppliers of the industrial companies affiliated to our member federations. But we straightforwardly believe that consumers should have the option of being able to purchase, if they wish to, from outside their local region.

We therefore strongly sup-port the introduction of third party access to the electricity and gas networks of Europe. Alain Mongon, president, IFIEC, 111/113 Chausseé de Charterol,

# AT £48.00, IT FIGURES.



your life that combines a personal agenda with the specific needs of business people everywhere, by combining a dlary with neticulously researched information that makes day-to-day planning simpler and more

It's called the FT Personal Organiser and its price represents outstanding value. Just \$48.00, in fact.

#### THE FT PERSONAL ORGANISER -ALL THE FACTS TO HAND

In a superbly crafted black or burgundy leather binder, the FT Personal Organiser - unlike many systems - comes complete and ready to use. There are five sections divided by FT-pink tabs.

A fortnight to view Diary Section comes with a handy Foldont Planner to help you keep track of your comings and goings. An Information Section provides you with: • A UK Route Planner

 Colour maps of the City and London's West End • Underground/Inter-City Routes . Hotels/Restaurants nationwide . Theatres, concert halls, cinemas, exhibition centres, car hire, airports and British Rail . Details of major World Business Centres 

A guide to FT Statistics 

World Time, UK and International Dialling Codes • Conversion Factors. There is also a fully-tabbed A-Z Address/Telephone Section to record

details of clients, colleagues, friends and restaurants. A Notes Section provides ample room for jotting down ideas, addresses

 Business expenses ◆ Motor running expenses ◆ Credit card records. Complete refill packs and a range of additional sections are also available. Ring 071-799 2002 for details.

An Expenses Section keeps tab of your income and expenditure:

#### FT COLLECTION - A QUALITY PROPOSITION

What we've shown here is but a small sample of the FT Collection, so why not send for the FT Collection colour catalogue and see for yourself? It is packed with many invaluable business essentials from diaries to document cases. Contact us now on 071-799 2002, or write to FT Collection, FT Business Information Ltd., 50-64 Broadway, London SW1H 0DB, or send your business card.

#### FIRST IMPRESSIONS THAT LAST

All items will be doubly welcome if they are personalised with initials and/or surname in high quality gold blocking. This kind of personal touch enhances the pleasure and worth to the user.

#### THE WORLD'S MOST APPRECIATED BUSINESS GIFTS Our business gift services include:

 Gold blocking of your logo ● Up to eight publicity pages in the diaries and personal organiser . Direct despatch to the recipients together with your compliments alips or greetings cards • Samples. We will even reserve your choice of FT Collection gifts if you are unable

to finalise your gift list early in the year.

LARGE ORDER DISCOUNTS Order 25 items or more from the FT Collection

DISTINCTIVE GIFTS THAT MAKE GREAT COMMERCIAL SENSE

and you will qualify for discounts of up to 25%.

Contact us now on 071-799 2002 for more details on our business gift services, or write to PT Collection, FT Business Information Ltd., 50-64 Broadway, London SW1H 0DB.



For telephone orders of less than 25 items

The state of the s
The FT Personal Organiser

		- 110		130	im oi	5044				
			RDI			<u> </u>	R M			701470
Please send in	te the i	FTC	ofection	cata	dogve					
i am interesti me details.	in interested in using the FT Collection as business gifts, please send me details,									
[ wish to place	e दिताग	ord	er as det	edec	woled t					
Name (MrMrs/Ms	a/Ms)									
Postion										
Сопралу										
Address										
						_		_		
Postcode		_		Tel	ephone					
Please indicate the	cuent	ev as	nd type o			OM F	ecuire			
	,	<del>, .</del>								
PRODUCT	CODE	D77	UN. poc. VAT: KI	L.,	FLROPE			SUB TOTAL		
		Γ.	E.	F''	r	017	EZIRFALE F	aη	ASPERANT.	
PLANCE CHOOSES	i			Т		Н	_	П		
Start Leather	POL		48 00		13 10		41 90		44 90	
Burgency Leather	POB		48 00		43 10		4190		44 90	
PROMINI	L	Щ		L				┕		
inests Crey	<u> </u>	_	247		210	Ш	310	L.	210	
Hares'	L <sub>N</sub>	ш	_441		3:6		175		10TAL	
Afgregi Pom pe reks Pomo stach any minis					-				ione 1	
HOW TO PAY.  BY PHONE: You can pay by credit card by placing your order on our Credit Card Order Line 071-799 2274.  BY FAX.  BY FAX.  BY OWNIES to pay by credit card you can lar this order to us on our Credit Card Fix Order Line 071-799 2268.										
BY MAIL Return	i this o	lder	form will	ı yo:	r payma	ni io	the addr	e65 (	oda neviç	v <del>0</del> .
Payment must ac account made paye Tick method Chegu	p <sub>e</sub> e 10 ,	FT: Mon	Businese	ier, : info	and cheq imation i Access			e dra	WIT ON B.	,KK benk
of payment	ليا	Ort		•	-100-233	Ш;	16	~L		Щ
Card No	П				П	Γ		$\prod$	11	
Expiry Date	_L	<u> </u>			dete is no			a uli	y be retu	m80
Cardholder's Name					Cardin Signat		r <b>is</b>			
Place return to: I 50-64 Broadway, L					nese inf	OFTE	ation L	d.,	THE	
CREDIT	CAR	0.0	RDER	1 IN	E	٦				



BARR We aim to expand by Contracting Telephone Ayr (0292) 281311...

# **FINANCIAL TIMES**

Tuesday June 18 1991



# Pursuing more open markets in open skies

Peter Riddell meets the US transport chief who will be having aviation talks in Europe

R SAMUEL Skinner, US transportation secretary, who will arrive in Europe this morning for three days of talks on the future of international aviation, is not a politician to talk

in code. His message - delivered tive nasal twang of his native Chicago - will be the urgent need to press on with liberalis-ation of airline routes across, and on both sides of, the Atlan-

In 24 years in office, Mr Skinner has built a reputation as one of the most effective members of President George the Eastern Airlines strike and the Exxon oil spill in Alaska, as well as disasters such as the San Francisco earthouake. He is widely tipped to rise further

Talking in his Washington office, Mr Skinner stressed the need to build on the agreement reached in March after much hard bargaining between the

This let United Airlines take over Pan Am's routes to Heathrow Airport in London and American Airlines to take over some of TWA's UK traffic. It also granted airlines from Britain greater access to the

Mr Skinner is "optimistic that there are a number of countries, including members the European Community, who want a more liberalised regime, who want to participate in the US market, and who want to have a greater investment in, and a closer



Samuel Skinner: "optimistic" on further liberalisation

EC will be negotiating as one relationship with, US flag-By tradition, trans-Atlantic

He defines his goal of liberalroutes and access have been negotiated on a bilateral basis, isation as "open markets on both sides of the aisle, with which Mr Skinner finds "a liteverybody having the opportunity to participate fairly, with tle antiquated, though I can no restrictions whatsoever. Ultimate liberalisation would work within that". He is "not so sure there is a whole lot left also include extensive foreign in negotiations with the UK. other than, say, the general lib-eralised market. While we ownership relations between US and foreign flag-carriers, subject to national defence ers into Heathrow, that's probrestrictions. That is, in general, ably not realistic either". the way we do business in a number of other areas". Mr Skinner says he has

This year, Mr Skinner has reinterpreted existing controls on overseas investment so that always assumed that European countries eventually "will countries eventually "will work something out where the

foreign groups may own up to 49 per cent of the equity of a US airline, though they are limited by statute to a maximum 25 per cent of voting shares, and no more than a third of directors and officers may be foreign citizens. Sev-eral foreign airlines are press-ing for an increase in that limit, and Mr Skinner said he might take a position soon on the issue, which is being taken

up in Congress.
Congress, he believes, "is coming round to understand why we have to liberalise investment policy, why foreign capital is necessary if we are going to have competitive air-lines". These proposals partly reflect Mr Skinner's view that the US industry is still conva-lescent. He believes many of the problems were caused by airlines borrowing too much money and leveraging their

"They fell into the enticing leveraged buy-out environ-ment. The airline industry is so susceptible to changes in the economy that it is now obvious that it is more difficult to leverage transactions than in other industries. We have probably seen the last [North-west Airlines] for a while.

"The overreaching [in the abortive] United case was pretty clear, the market determined it was inappropriate and, as a result, United Air-lines is not in bankruptcy. There are some indications that if the deal had gone through, it might be in the same situation as all those other airlines that have over-leHe believes several US airlines will work their way through their problems by renegotiating their debt and leases, and will survive.

He notes that some foreign

flag-carriers serving the US have had to call on their governments for big subsidies. "think that probably will encourage and hasten, with some exceptions, the move towards privatisation of those airlines. Having seen what has happened to British Airways, they will be able to recognise there are some advantages that they ought to move on."

An immediate problem is the state of business, which has produced record airline losses. Mr Skinner believes traffic is "picking up, but not as much as I would like. The problem is the yields (as a result of heavy discounting on fares). The load-factors are up, but the yields are not". It is, he admits,

a great time to fly.

Attractive though the prices are, trans-Atlantic travel can still be a time-consuming mar-athon. The difficulty is not so much security as the long queues which face passengers arriving in the US.

Delays based on immigration are now "our biggest problem. The Immigration and Naturalisation Service has major prob-lems [in part because of a budget squeeze). The airlines feel very strongly on it, Mr Skinner says, promising an early meeting with the US carriers.

That cannot come too soon for those who have had to wait two or three hours, or some-times even longer, to enter the

## **Bolivians** protest over cocaine

By Christina Lamb

BOLIVIAN peasants tried to mount a nationwide blockade of roads yesterday in protest against the government's decision to use the army in the fight against cocaine traffick-

Union leaders in La Paz, the capital, said they hoped to block all main routes by night-fall and blamed a smallerof protesters on a "massive police operation".

In La Paz the blockades were impeding, not halting, traffic. Only in the metals mining centre of Potosi were any roads completely blocked. President Jaime Paz Zamora agreed last month to accept 56 US military advisers to train

the Bolivian army in anti-drug tactics, as part of a \$15m US military aid package.

Many of the peasant farmers depend on coca leaf crops. from which cocaine is derived. to survive. They dismiss gov-ernment assurances that the military will be sent only into the northern areas where the traffickers and processors operate, rather than the cen-tral Chapare region where 80 per cent of the coca leaf is

grown. Bollvia is the world's second largest producer of coca leaf after Peru. However, in the past five years, it has also become the world's second-largest producer of cocaine, after Colombia, and a main centre for trafficking to the US and Europe. President Paz agreed to the military involvement under US pressure, after an initially successful coca

eradication campaign had begun to flag.

Many Bolivians fear,
though, that army involvement will provoke violence. Mr David Herrera, a peasant union leader in the Chapare, said growers were forming armed defence committees to

protect their crops.
The farmers' blockade was pare region and a government decree to keep the army out of

the area.
Attempts on Sunday night

A war far from being won, Page 17

# crackdown

Aside from today's expected upward lurch in UK public sector borrowing, the market's renewed punishment of sterling yesterday was curious. After all, there is still no external sign of economic panic in the government or the Bank of England.

Sterling

Admittedly BAA is not yet in

the firing line like water and gas. But a Labour government would hardly leave well alone, given the present scope to increase dividends well beyond

the rate of inflation. A more immediate threat is the MMC

review in a couple of months time and the CAA's actions

thereafter. Regulators have

been getting tougher of late and it would surely be a mis-

take to assume that this one

will be content merely to tin-ker around with a none too

effective RPI minus X formula.

Tut-tutting on car parking fees has already resulted in a

minuscule increase last year in

commercial income per head from that source, which goes to show that a new Act of Par-

liament is not strictly neces-sary to extend price regulation

Air traffic remains a growth business in the medium term

and Sir John Egan looks the man to take full advantage. The shares in the next few months, though, could ride as much on his political as on his commercial skills.

beyond airline charges.

There may be plenty of political uncertainty, but that is scarcely grounds for a sustained sell-off unless it is to be translated into premature interest rate cuts. All the evidence suggests that is not about to happen, just as it did not when sterling had a previous wobble last December.

One might even argue that in focusing on interest rates the market has its eye on the

# BAA's political baggage

FT-SE Index: 2,524.0 (+1.7)

Taking the long view beloved of BAA itself, it could be that the Gulf war came in the nick of time. Last year's 4 per cent fall in pre-tax profits – ex-plained partly by the dip in passenger volume in the fourth Share price relative to the FT-A All-Share Index quarter – makes the politically desirable point that there are risks in running an airports monopoly after all. Less desir-able politically is investors' determination to view BAA as a growth stock. The shares have outperformed the market by 50 per cent since flotation in mid 1987. Judged by the cur-rent yield of 3.9 per cent - a 20 per cent discount to the market average – there is still plenty to squeeze from that valuable asset base.

wrong ball. On a longer view, buyers will be more influenced by the possibility of devaluation. This scarcely seems likely, given the unacceptable loss of political clout it would involve in the middle of torrid negotiations over European monetary union. In the shorter term, however, there is no denying that sentiment would be best helped by a sustained run of positive economic news. Unfortunately, yesterday's retail sales figures lent further weight to the case that if recovery is to be led by the consumer, it may be a long

1988 89 90 91

The first set of figures from BET under its new management represents a slightly uneasy compromise. While the new chief executive is evidently zealous for reform, he is too fresh to the job to be able to specify the new strategy. Nor is he yet wholly free from the BET traditions of accounting, best exemplified this time by the release to profit of £16m in excess provisions which ere never charged to profit in the first place.

Above all, BET is still wriggling off the hook of its own past rhetoric. The claim to be recession-resistant has been shot to pieces; the principle of cross-referring clients to differ-ent group services is open to question; and the group's ability to generate cash, previously claimed in the teeth of the evidence, is now the key to the

Last year, despite a huge and unsustainable reduction in capital expenditure in the second half, net operating cash flow after tax and dividends was minus £94m. With net debt including auction preferred stock still at £520m, BET must either generate substantial

cash this year or unload more businesses on to a buyers' mar-

The second s

Not that there is any ques tion of BET going under. The question in the market's mind has more to do with the security of the dividend. If, on a very worst case, this year's pre-tax profits were twice the pitiful £80m made in last year's second half, a maintained pay-ment would be only just cov-ered. On the assumption that a new cost-cutting management can do better, yesterday's price of 174p gives a yield of 10.2 per cent. That may seem absurdly cheap in time, but the market will not be easily convinced.

#### South Korea

On the surface. Korea's move to open its stock market to foreigners looks like a desperate attempt to prop up share prices which have fallen by nearly 40 per cent since their peak at the end of 1989. Tight money, political uncer-tainties and a faltering economic performance which saw a current account deficit last year for the first time in four years do not make a particu-larly attractive combination. That said, Korea remains one of the few emerging markets of any size to remain effectively closed and there is heavy

pent-up international demand. The key question is one of timing. With exports now starting to recover and inflation set to peak at just over 10 per cent, the fundamentals could look much improved when the market opens next year. Foreign demand could then outweigh the overhang of holdings by the governmentsponsored market stabilisation funds which might be offwishing to position themselves in advance could consider buying convertible or warrant issues in the Eurobond market. But this is still a gamble given the exorbitant premiums; in the case of the \$100m Samsung Electronics issue, this now stands at around 40 per cent to

#### Lloyd's of London

There may be something to be said for more generous tax treatment of reserving at the argument that extending ar carry-back to underwriters will restore confidence in the market. The real problem is Lloyds's now that top rate tax is a mere 40 per cent. Only a Labour government can resolve that one.

June 1991

en en de de la company de la c

## By Andrew Hill in Brussels and David Buchan in Luxembourd EUROPEAN Community

EC business hit by civil servants' strike

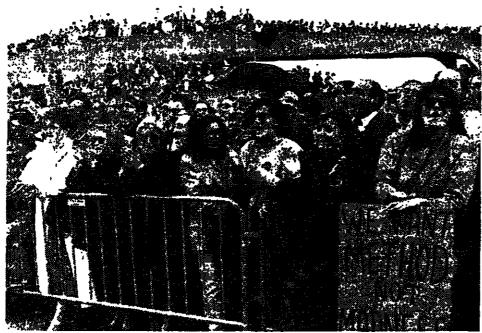
business was crippled and meetings on European political union disrupted yesterday as many of the EC institutions' 25,000 civil servants began a two-day strike in defence of

their salaries.
A picket line of more than 1,000 strikers barracked EC foreign ministers as they arrived for a two-day meeting on politi-cal union in Luxembourg. A trade union official said

some European Commission departments in Brussels had shut down their computers and "aggressive pickets" had forced workers out of EC buildings. The strike had also affected community institutions in Strasbourg and the EC's small research centre in Italy, he

Civil servants are striking for the first time since 1981, when a complex formula was introduced for setting EC staff salaries. They object to member states' attempts to replace the system, which expires on July 31 and is based on the average EC inflation rate.

The proposed system would be based on the inflation rate in the countries where EC officials work, notably Belgium, France and Luxembourg where inflation is comparatively low. Unions representing the civil servants agreed last week to boycott all EC meetings yester-



Picket line: civil servants demonstrate outside the European Centre in Luxembourg servants on a "requisition" list,

today's meetings in Luxembourg of the European Free Trade Association and EC foreign ministers.

They allowed the part of yes-

terday's foreign ministers' meeting devoted to discussing the pay formula to go ahead but the talks were inconclu-

Although ministers were expected to continue their dis-cussions last night, union offi-cials said the strike would not be lifted today unless there was a breakthrough.

in Brussels, the European Commission, with 13,000 officials, was barely ticking over on a skeleton staff of 140 civil

their own accord. Meetings in Luxembourg were also disrupted because o separate action by Belgian cus toms officials who began a go-slow on the Belgium-Luxembourg border.

who were obliged to turn up, and others who came in of

# US renews efforts on Mideast peace talks

By Lionel Barber in Washington

THE US is preparing to step up pressure on Israel and Syria in order to break the stalemate over efforts to convene an international peace conference on the Middle East.

Mr James Baker, US secretary of state, is reported to have selected Mr Edward Djerejian. US ambassador to Syria and an experienced Arabist, to strengthen his small team of Middle East advisers.

If his nomination is confirmed by the Senate, Mr Djerejian, a former National Security Council official, would supersede Mr John Kelly, assis-

Continued from Page I

embourg has now rewritten

the Treaty's preamble with federalist wording, which Mr Roland Dumas, the French for-

eign minister, and Mr Delors, the European Commission

president, welcomed.
Clearly pleased to have

struck a compromise with Mr

Delors on the overall structure

tant secretary of state, who has not been prominent in the administration's efforts to bring Israel and Arab states to the negotiating table. Israel and Syria are insisting

on mutually unacceptable preconditions for attending a peace conference, thwarting President George Bush's hopes of capitalising on the Gulf war victory by the US and its allies to resolve the Palestinian issue and the Arab-Israeli conflict.

The White House was partic-ularly upset by leaked reports

reflected "the dominant ten-dency" in the Community.

• Reducing the present 17 Commissioners to 12.

Giving the European Parlia-ment the right of co-decision with the Council of Ministers

but without squeezing the

Council out.

Giving the European Court
of Justice the power to fine

The foreign ministers also

**Britain rejects EC treaty** 

Bush and Mr Yitzhak Shamir, in which Israel's prime minis-ter ruled out a UN role in the conference and insisted on

Israel's right to veto proposed members of the Jordan-Pales-tinian negotiating team.

US officials described Mr Shamir's letter as an effort to use arguments over "modalities", such as the UN role, as a means to avoid discussion of the details of a future settle-

However, policy-makers within the US administration shape and timetable of a peace

Continued from Page 1

confirmed that conditions in Britain's high streets remained as depressed as at the start of the recession, prompting calls

for interest rate cuts.
The Central Statistical Office

announced that May retail sales volumes fell by 0.3 per cent from April, to stand 2.9 per cent lower than last year

- the sharpest annual rate of decline for more than a decade. In some sectors, including

Sterling under pressure

settlement, known as the "end-Mr Bush and Mr Baker are understood to have discussed

some of these details during a strategy session at the White House last week. Both men also discussed the next tactical moves for persuading Syria and Israel to

attend a peace conference.
The president may issue invitations to all parties, hop-ing that this would amount to an offer which no-one could refuse. Mr Baker is considering a further trip to the Middle East to narrow differences.

clothing and non-food goods. the recession was seen to be deepening. The Retailers' Con-

sortium, which claims to repre-sent 90 per cent of the indus-try, said base rate cuts were needed to relieve trading condi-

tions and rebuild consumer confidence.

Mr Gordon Brown, shadow trade and industry spokesman.

renewed calls for cuts and said the figures confirmed "the depth of the recession and the need for government action".

scheduled for last month but delayed after the government agreed to negotiate. No prog-ress has been made, however, on 60 demands, chief of which are more funds for the Cha-

by the interior minister failed to prevent union leaders going ahead with blockades yesterday but government threats to jail protesters seemed to deter

All of these Shares having been sold, this announcement



# Helikopter Service A.S

International Offering of 8,696,381 Shares of a nominal value of NOK 12.50 each

Offer Price: NOK 57 per Share

County NatWest Limited

Fondsfinans a.s

Norse Securities AS

Crédit Lyonnais Securities

Cazenove & Co. Credit Suisse First Boston Limited

Dresdner Bank

Merrill Lynch International Limited

Paribas Capital Markets Group

Nomura International

S.G. Warburg Securities

Σ,

& The NatWest Investment Bank Group

of the new treaty. Mr Jacques Poos, the Luxembourg foreign minister, claimed his plan now states for not complying with EC law.

# Investment Capital

A Supplement

**IUNE 18th 1991** 



investors in industry

## Essential to the economy is the smaller, high-growth company - and it has special

## **FUEL FOR THE FAST LANE**

THESE PAGES focus on an Sine of the business world. The importance of the smaller but faster-growing independent company became: clear during the Emergise Revolution of the 1960s. In the 1990s, such companies will be called on to fill a special role in job creation. Often they can exploit new markets that larger comparings are not flexilarger corporations are not flexi-ble enough to seek out.

They are often characterised by a special kind of management.

- entrepreneurial management. They also have special capital needs, which cannot normally be met by the stock market and which are outside the scope of the banks. Investment capital is defined by 3i as permanent and long-term capital in the form of share and loan investment in the quoted companies. It can unlock the large potential for growth which exists in the best managed midependent companies in Britain and Emope: Such com-panies have always existed now there is more scope for them, and more scope for such capital.

The starting point of this sup-plement is the conviction that the best independent companies con-tain precisely the skills, and the talents for industrial imposation, which are needed in today's com-petitive world. The managerial and creative skills are there. They need the support of imaginative institutions providing capital in the right focus.

Investment capital is usuch more than a question of hacking business start-ups — important though that is. The Chairman of Britain's best known supplier of investment capital, 34 (Investors in Industry), Sir John Cuckney, has put it this way. Fresh supplies of equity capital are needed at various stages in the life of any dynamic company, when it expands or when it has to be respectively. Bis commanies can so tructured. Big companies can go to the stock exchange to fund their growth plans. Smaller ones can't – yet it is often the smaller company that is better able to identify growth opportunities in today's conditions."

Small companies become bigperhaps, is the point - made trenchantly by the management writer Total Peters on another page - that larger companies often ought to be divided into smaller, more realistic units. That process, too, requires, the imaginative use of investment capital.

evolved in the 1980s underlies most of the writing in this sup-plement. It is the new breed of entrepreneurs - ambitious owner-managers who came to prominence during that decade — who are most obviously qualified to make investment capital work. More of them are emerging in the 1990s. The articles that follow: describe how capital can be available to help them realise their

. 15

financial needs

# Investment capital, a key to economic growth

IT IS difficult to imagine the upsunge of entrepreneurial activity which took place in Britain during the 1980's occurring if businesses had been restricted to the use of conventional banking

The present economic down turn may have taken some of the gloss off the enterprise culture but there is no disguising the seachange that has occurred in attitudes to starting or expanding businesses, and to raising funds

to do so.

An instinctive reaction of the banks to the recession has often been to reduce loan facilities. When the upturn eventually comes, it seems likely that the bankers will continue to take a castious approach which will once again create new opportunities for equity capital.

However, renewed interest in equity capital has come at the same time as disenchantment felt



"The 1960s were an outstandcapital - and for 3i, as innova tors of many of the techni-ques for bringing together capital on the one hand and on the other. We foresee this highly effective combination continuing to work power-fully throughout the 1990s." DAVID MARLOW

delayed or abandoned plans for a public listing. This seems likely to create a sustained interest in the availability of unquoted

equity.

The supply of such capital in the UK has two main tap roots,

Distinction from the US model of venture capital

one home grown, the other a US import. It was in the 1930s that a Government committee chaired Government committee chaired by Lord Macmillan first gave a public airing to concerns about what became known as the Mac-millan Gap. Smaller companies unable to go to the stock exchange, which was equipped to meet the needs of larger condic airing to concerns about meet the needs of larger com-panies; had difficulty in finding long-term capital. Macmillan identified the gap in terms of amounts up to £200,000 in cur-rency of the day. Awareness of the gap led to the creation in 1945 of ICFC — the Industrial and Commercial Finance Corporation — which became 3i, and of a num-ber of smaller providers of invest-

In America meanwhile "ven-ture capital" flourished in the late 1950s and '60s, largely as a

From the second half of the 1970s the two streams came together. US venture capitalists established offshoots in Britain while the number of home grown suppliers of what was usually cal-led venture capital increased to well over the 100 mark. Members of the British Ven-

ture Capital Association have provided £5.41bn worth of capi-tal to more than 5,600 companies in the UK over the past five estimated to have helped to fund companies employing a total of

1.5 million people.

Although the US and British approaches to equity finance appeared to merge during the 1960s, there was disenchantment among business owners with the short-term objectives of some

tal, many felt, had become too closely associated with shortterm investments where the investee company was under pressure to work towards an "exit" - to sell or float the company. Many venture capitalists aim to realise their investment in a company within three to five

years.

This was the background to the decision by 3i in 1990 to describe itself in future as a supplier of "investment capital" rather than "venture capital" to stress that it did not put pressure on its portfolio companies to provide it with an exit within a predetermined time. It argued that the new label merely reemphasised the "hands-off" approach which it had tradiapproach which it had tradi-tionally taken to its investee

At the start of the 1990s investment capital has been refined so as to be applicable in a broad range of business situations. All

Long-term funding with no pre-determined 'exit'

could be characterised as "points of change" in a business's development.

At the earliest stage in a com-pany's life "seed capital" may be necessary. A little further down the road, start-up capital may be required to launch the business and austain it through the initial period of inevitable losses. Once the company is established and is making regular profits, develop-

ment capital may be required to help it linance entry into a new market, the creation of a new product range or the construction of a larger factory. A com-pany may also opt to grow by acquisition, so may need money to carry out its purchases.

There are occasions when shareholders in a business want withdraw some of the equity in

#### New motivation for managers – the MBO and the MBI

the business to meet their personal needs. Other shareholders may be unwilling or unable to take over the shares while outside buyers may be unsuitable. In cases such as these, the investor draw his funds without damaging the business.

The deepening economic recession has increased opportunities for investment capital to finance, to help companies sort out their difficulties.

But the most significant development of the 1980s was the growth in the popularity of the management buy-out and, later, of the management buy-in. When managers realised that money was available to allow them to take over the ownership of the business they had been running or to buy into another business they grasped the opportunity
with endusiasm. The market for smaller, conservatively-funded

despite the fall from favour of the larger, more speculative deals.

The growth of the buy-out underscored a significant shift in the target market for providers of capital. The enterprise revolution did not depend on persuading the lone inventor or the eccentric

entrepreneur to start up in business. As the 1980s progressed, it became clear that the profession nally trained manager employed in a big company had a far better chance of succeeding when he set up in business on his own than someone who fitted the popular conception of an entrepreneur.

snaded to leave the safety of the bigger company.

As the providers of capital have refined their methods, so the businessman or woman looking for finance has also become more demanding, prepared to rival offers of capital packages.

#### Investee companies learn how to shop around

After a decade of strong growth, the venture and investment capital industry entered a period of consolidation. Some of the marginal players have with-drawn from the market while those that remain have had to devote more time to helping their portfolio companies come through the recession. Neverthe-less this type of capital seems assured of a permanent and growing role in the financing of British industry.

#### **ON OTHER PAGES**

your company's wishes should match those of the institution. Both parties have important questions to

START-UPS are a challenge, particularly in high-tech, but well managed businesses have found they can forge the right relationship with

FROM A CITY viewpoint, big corporation to the midstand Jonathan Ward traces recent prob-

SCOTLAND is good not only at providing capital but at finding THE CAPITAL structure of main-

"GIVEN THE RIGHT trigger, the hidden entrepreneurs were bound WHERE DOES investment capital to come bursting out of their come from? By Ewen Macpherson

WHAT IS THE BEST way to they came." John Pleasant ponders

Illustration by Volker Sträte

growth is

Ö

TOM PETERS, manage expert extraordinary, argues for nesses dylng and upstarts taking their place. Silicon Valley's success

PETER DRUCKER, elder states man of management philosophy, on how the focus has moved from the

"THE 1980s were a success story for the British economy." Lord Griffiths, who was Mrs Thatcher's JIM LEVI looks at the success adviser, urges that in the '90s we 

entrepreneurs who make it work. land Europe is changing. Investment capital as evolved in the UK has a

corporate straitjackets. And out of 3i.,

## THE GOVERNOR OF THE BANK OF ENGLAND, Robin Leigh-Pemberton,

reviews the evolution of the non-quoted capital market

# A vital industry that has matured

SIXTY YEARS ago a govern—entinesiastically supported and ment committee considering for several years many waited for finance and industry chaired by their failure. Lord Macmillan identified a Shortage in the availability of capital to the corporate sector in amounts of up to \$200,000. This shortage became known as "the Macmillan Gap" and amongst the factors considered to be its the factors considered to be its the store transfer. cause three stood out in particu-lar: the costs of undertaking a illiquidity of small issues of shares, and the need of investment managers to have a minimum size holding for economic

It was not, however, until 1945, that practical steps were taken, with the formation of the Industrial and Commercial Finance

#### Long-term funds needed

a range of insurance companies for cry from 1945, when 37s two and investment trusts: The for- lone predecessors came into mation of ICFC and FCI was not: being.

During this period, however,

to develop rapidly as the need for investment grew. ICFC and FCI became in

1973, Finance for Industry, which subsequently spearheaded the dom venture capital industry. Finance for industry pioneered new approaches to industrial finance, for example through the use and development of industrial advisers and development spin-offs. In addition, there developed management buy-outs which have become so popular that last autumn saw the celebration of the successful completion by Si – successor to ICFC and FCI – of its 1000th MBO.

Lorenz played such an important stood them in good stead in the role, and indeed with which the more difficult economic conditions which they now face. And despite the slowing down in full members. This is all a very MBO activity, I still expect that



arranging for ICFC to fill the "Macmillan Gap."

recent years has of course passed; the opportunities for MBOs have lessened, not because the indusing funds, but because the numby 3i - successor to ICFC and ber and quality of applications FCI - of its 1000th MBO. have, I understand, markedly Thus the venture capital diminished in the last few venture capital diminished in the last few months. Nevertheless, the contribution made by MBOs, whether large or small, should not be underestimated: many competition. The decessor, Lord Carto, RCRC had British Venture Capital Associates its shareholders, the inagor tion (in which the late. Tory Roglish and Scottish hanks, as Lorenz played such an important well as the Bank of England.

The decessor, Lord Carto, RCRC had British Venture Capital Association in the late. Tory Roglish and Scottish hanks, as Lorenz played such an important well as the Bank of England. The late for invigorated through MBOs, and this has stood them in good stead in the which was at that time still primary owned by the Rambour and indeed with which the which was at that time still primary and indeed with which the which was at that time still primary and indeed with which the which was at that time still primary and indeed with which the which was at that time still primary and indeed with which the late. Tory and indeed with which the late of th there will be a significant num-ber of MBOs from distressed

hope will provide them with fresh impetus for growth as the Current economic conditions

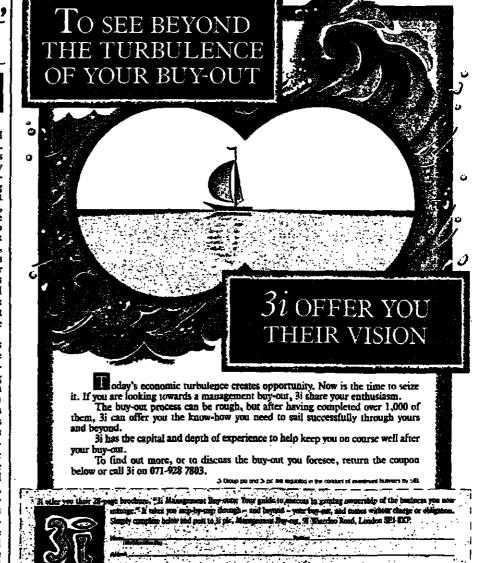
capital and investment capital industry with a number of challenges. In addition to the lower levels of activity which have led to reduced opportunities in lever-aged buy-outs and larger MBOs, flotation, often in the past the occasion for venture and investment capital to be recouped, is virtually a closed channel at present. However, such challenges also provide opportunities. It ins to be seen whether the industry is lean, fit and flexible enough to react effectively. Developments are occurring all the time and the recent trend towards venture capitalists making investments in smaller quoted companies is an ineresting ex-tension of their more traditional policy of retaining investments in companies after they become

> into Europe – and Japan

Looking further ahead, I am sure that the industry will contime to forge stronger ties with Europe as markets in the West develop further and those in Eastern Europe begin to grow. Indeed, investment in 1990 by her of MBOs from distressed BVCA members in Europe companies this year, which I increased by 140 per cent to £233

million, 16 per cent of the total UK venture capital investment. Further afield, the way ahead is less clear. Links with Japan may grow as the importance of Japa-nese industry and the resulting wealth available for investment make themselves increasingly felt, and it may be necessary for the investment capital industry to form and develop links with that country. Outside these centres, however, the UK industry has regions or countries: this seems to be largely the result of cultural differences and might therefore be difficult to overcome, but equally they suggest there are still new fields for expansion.

Some still ask, even 60 years since the "discovery" of "the Macmillan Gap" and the subsequent development of a strong investment capital industry in the UK, whether the gap has in fact been filled. No doubt there is a sense in which there will always be gaps, in that some projects and companies will find it diffi-cult to raise finance at a price they can afford. But if we examine the problems identified by the Macmillan Committee, we have made enormous progress. There are now more means available than ever before of satisfying funding needs, and I hope very much that the industry will continue to adapt, as it has in the past, to changing conditions and requirements, so allowing it to continue to prosper throughout the rest of this decade.



#### INVESTMENT CAPITAL: THE SCOPE

How do you approach an investment capital company?

# Funding growth – investor and management must talk the same language

INVESTMENT capital is about business growth, and it comple-ments bank lending to till a dif-ferent need, it also ensures that businesses using it - which can range from the smaller company through medium-sized to wave substantiai companies - arc not relying entirely on one source of

Basically there are owe elements to investment capital: share capital and long-term loan capital. It is important to match the funds invested today with the anticipated needs of the business as it grows. An important part of the case for introducing equity capital is that ambitious plans for expansion can be brought forward, possibly by years. How do you approach an equity investor? tou, as a poten-

ideas about what you want. Investors have their ideas. A formul Business Plan is not necessary in the first approach to a provider of investment capi-ral, but the directors should be ready with answers to questions like the following:

#### The secret: people, people, people

The product and the market. What is the company's stra-tegy? Is there evidence that the proposed growth will prothe proposed growth will provide something that customers will want to buy — and that they cannot equally well buy elsewhere? Do you know

 What about the management the investor is being asked to back? An old saying in the investment capital industry is that there are three main factors in deciding whether to invest in a project people,

as its strengths?

Operational details. Is there a clear picture of the premises. plant, sources of supply and distribution arrangements required if the growth plans

Financial and production forecasts. On what assumptions have the forecasts been based? Have risks been assessed realistically?

cople and people. is the management team aware of its weaknesses as well

# Hi-tech start-ups present financial backers

with a challenge but in the right hands

they give Britain a head start, says Paul Gregg

# Save the family silver!

companies seeking an investor who understands them will, I believe, find the investment capial companies more sympathetic than the banks. The recession has meant that the number of potential entropeencurs coming panies has slackened off. Many of them prefer the safety of holding on to a salaried job in a large mpany at least until the situation improves. They will come forward when they feet the situation is right for them.

Unfortunately, technology is still largely misunderstood and undervalued by some sectors of the financial community. This is carner for the country Today, there is little room for

the "me-too" company offering similar products and services to : thousand other commanies. Sectors of the market are already overcrowded and having a tough time without adding to the list. circuit board manufacturing and

contract assembly sectors.

What kind of ideas are investors looking for Certainly not "blue sky" ideas that consume a lot of money at the design and development stage, and then offer no certainty of taking off once they reach the market. The press is littered with such stories. While the driving force today is financial rather than technological, your idea should attempt

to marry both. It is important to begin thinking about the market you want to be in before concentrating on the product or service. Product life cycles are shrinking down from years to months in some instances. So the long-term viability of the business is the first con-

An investor will look at the people involved first and foremost. It is important to ensure that they are capable of taking cessful businesses. In the case of a management team, it is vital to get the mix of skills right. Not everyone is good at every aspect of technology and business, but many are good at one or the

"Many people underestimate which must be undertaken before an investment capital organisation is able to invest," explains Jane Crawford, local director at 318 Thames Valley office. This may involve anything from an analysis by 3i's Industry Department to the resolving of intellecbefore a company or project is fit

In the case of the Thames Valley office this due diligence has paid dividends with a string of good investments including Auto File, Research Machines, Oxford Instruments and Logical Networks making up over a third of its inestments in hi-tech companies.

The entrepreneur or manage: of a potentially viable project looking for an investor should have little difficulty in finding someone ready to listen to a

The first step is to have a business plan. This need not be a lengthy document, because it provides the framework only. It can be ileshed out later. A statement should identify the opportunity, together with a projection

A balanced board with proven financial expertise

for sales growth, plus the size of the existing market, and who else is in it.

One of the major obstacles to funding could be evidence of a weakness when it comes to finanstart-up companies have a finance director on board.

Patent registration should be incorporated into the business plan. This is particularly important if the company is going to operate in the export market. A company should also seek to license its technology outside the UK as a way of gaining accept-ance. Licensing gives customers confidence that, even if you dis-appear, they will be able to get

Jane Crawford says: "Often a roung company can spend wo much time perfecting a design when it should be thinking of licensing the design, and moving onto the next product. While they are working on their design, a competitor with larger resources comes along and beats them to the market — often with

an inferior product." A recent example of 31's support for good design is a product called Papertalk. It is the first write-on-screen unit to be designed, produced and financed in the UK. It is being made by the Cheshire-based Eden Croup. The product is the brainchild of director Stephen Randall, and

manufacturer, it comprises an A4 binder-sized pad with an electro-nic pencil. The user writes directly on the screen to correct or annotate the text.

This is a major benefit to the busy executive who has not grown up with personal computers, or who does not want to be bothered with learning how to use them. That may sound unusual to many people, but there are large areas of the world that are still computer-illiterate.

Eden believes that there are ultimately 30 million potential users of Papertalk workdwide, and it is planning to license the technology and complementary software either as a complete package or separately to a range of manufacturers.

Unfortunately when a young company does stumble or go under, more often than not it is the fault of the management team who fail to spot the danger signals early enough. But equity today of sporting problems long before they arise. In the case of Eden Design, 3i

recognised Stephen Randall's excellent technical and creative skills, but saw that he had less commercial experience. However, 3i was already in touch with businessman David Crisp, who was looking to start up his own company, and introduced the two men. David Cheesman, director of 3i

responsible for hi-tech, says of David Crisp, who became Eden's managing director: "His interna-tional management experience, in the oil, computer graphics and CAD/CAM industries, combined with Stephen's expertise, resulted in a more substantial management team."

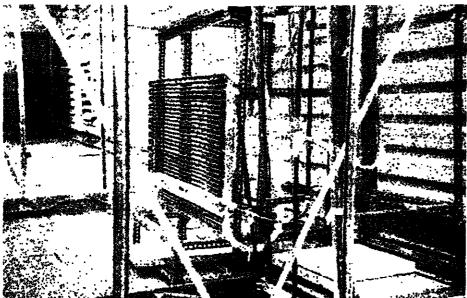
It is important that an investor in high-tech should have experience in matters such as design overrun costs and pro-longed hand-over periods in the case of capital equipment.

The growth of small to

medium-sized enterprises is a cornerstone of the European Community's strategy in technology. The Department of Trade and Industry already recognises that fact through its financial support schemes.

High-tech start-ups are impor tant, not only as a source of job sell its products on the world market. In a sense they are guardians of Europe's family silver.

Paul Gregg is on the staff of



From basic university research to commercial production: this was the early equipment used on the roof of King's College in Chelsea by Photo Bioreactors Ltd to produce protein-rich algae from sunlight. PBL, in conjunction with the international biotechnology company Christian

Capital needs. Will other shareholders be contributing more funding? Will a bank be providing additional working capital?
 These points indicate some of the areas that institutional inter-

that institutional investurs will explore when proposi-tions come before them. But what we are talking about here is a coming together of two sides, investor and investee, in a rela-tionship which could continue for many years, and ideally will prove satisfactory and harmo-nious to both sides.

Getting the right mix of debt and equity

Company directors, therefore, should for their part have a list of questions to put to potential

investors, for example:

How quickly will the investing institution be looking to get its money back? Do its aims selling the company on or

going public?

What is the investor's policy on the constitution of the board? No investor is going to put up capital and forget about it, but different instin-tions have very different philosophies about their day-to-day or week-to-week relationship investments are based on wha

relatively speaking, a "hands off" policy; others are very nuch "hands on." What will the monitoring demands be? Are they appropriate to your business?

What is the policy on future investment? Some investors

may put a ceiling on what they would invest in any one company or any one sector. In general – how helpful, friendly and accessible will the investor be?

The institutional expects to see a fair return on its money. The capital package will be structured so as to achieve this in a way which, it is to be hoped, will also be fair to the ivestee company. Some of the packages can be very complex, involving ordinary shares, various fortos of preference shares, debt (in the shape of iong-term loan capital) and mezine finance, which as the name implies has some of the characteristics of equity and

The reason a business seeks capital is not only to grow but to do so profitably. But if the project - whether it is a business start-up, or restructuring as in a gement buy out, or organic growth, or growth by acquisition involves servicing a vast loan ered, particularly at a time of high interest rates: com-panies which have recently experienced difficulties have tended to do so not because of ntroducing new share capital but because they were unable to finance their debt. With the knowledge that futance, in the form of a mix of shares and long-term loan capital, can be available for a worthwhile business venture, directors can plan an expansion programme more confidently:

The money is there - for talented managements with sound ideas and the drive to see them through Bringing in an institutional shareholder is a possibility always worth investi-gating by the board of an ambiJonathan Ward puts the big deals in perspective

# No more gung-ho MBOs - but managers still do buy out

IF ANYTHING captured the gung-ho mood in the financial markets of the late 1980s it was the boom in buy-outs. MBOs epitomised the Thatcher years. They proved to politicians at least that British management could manage, that in the right climate it could be entrepreneurial, and that even unadventurous executives could be persuaded to take serious financial risks pro-vided the rewards were worth-

boom was a public relation dream for private enterprise Small companies with potential were liberated from the state bureaucracy of large organisa-tions. Management was given freedom to manage. Appetising equity packages promised mas-sive rewards for successful mana-

gers. Share schemes promised to employees. And the banks, so often criticised for failing to back industry, feli own each other to provide loans to each up the equity to make the whole thing possible. It seemed for a time to e that mathematical impossibi ity – a game where every partici

But that was then and this is now. Today the Prime Minister has changed, and the spirit in the financial markets has changed too. It is a long time since a management buy-out caught the imagination of the financial press and the perception in the country, if not in the City, is that the movement was ephemerai – no more than a passing fashion If that were true it would be a pity. Underneath the hype and with a generous discount for

#### Less debt means greater financial stability

exaggeration, management buy-outs were undoubtedly one of the most positive forces at work in the British economy. And happily they still are. The size and value of management buy-outs may have changed in the past two years, but the principle is still alive, and the seeds of tomorrow's success are still being planted.

But the froth has been blown off. An examination of statistics produced by the accountants KPMG shows that the recession has brought three changes. Today's buy-outs have less debt and are therefore more stable financially. The vendors' expectations are lower and prices are therefore more realistic, and the general malaise of British indusmeans that there are some genuine bargains to be found, though some, sadly, only come when the parent company is in receivership. It is perhaps typical of the British, however, that while the collapse of Coloroli received massive press coverage, the revival and continued prosperity under a management buy-out of Denby, one of its subsidiaries, val and continued received barely a mention. Receivers today take a much

more positive line towards management buy-outs. It may come as a surprise, but buy-out deals last year though smaller in cash terms, are still almost as numerous, even after the recession had bitten. In 1988, for example, there were 50 man-



A very large proportion – over a third – of the management buy-outs carried out in the UK have been funded by 31 capital. The thousandth 31 MBO, at Holden and Brooke, an old-established Manchesner manufacturer of hydraulic pumps, took place last year. The leader of the MBO team, Bob Systems, is seen here with the Chairman of 31, Sir John Cuckney.

with a value of between £10 million and £250 million. This figure jumped to 69 for 1989 and then fell back to 56 for 1990, a still highly respectable total by any historic yardstick. But the total value of the 56 MBOs and MBIs in 1990 was almost 25 per cent less than the amount spent in achieving the rather lower total of 50 deals in 1988.

Where you really see the change of mood is in the bigger deals, billed by KPMG as being over £250 million, and separately in the deals which seek to take a previously quoted company priate. The number of large MBOs and MBIs involving non-quoted companies fell from five in 1988 to three in 1989 to one in 1990.

FINANCE REQUIRED

Total consideration to ABC plc

Additional working capital

FINANCING SCHEME

1969 the stockmarket was enlive-ned by the dramatic struggles for market chain, and Magnet, the building materials group. These were the most spectacular two out of 12 quoted company deals worth in total £3.8 billion. But last year was dull. There were just four quoted company deals worth in total £170 million and the names - Saga, Batleys, W Alexander and Andrew Lloyd Webber's Really Useful Group were hardly the stuff of financial

times concerns the willingness of the banks to finance the big high-profile buy-outs. They have pain-fully re-learned once again that

A MANAGEMENT-CONTROLLED MBO. (An imaginary case as it might be funded by 3i.) Buy-out of XYZ Ltd from its parent group ABC plc. Purchase of 100% equity of X77, Ltd Repayment of inter-company debt Purchase of freehold property from ABC pic 500 *1,92*5 Management - 66-6% of ordinary shares From 3i ~ 33-3% of "A" ordinary shares 500 redeemable preference shares 1.008 1,125

2.975

The management, basing committed £200,000 of their personal resources, control a company costing over 62 million. But the graring is only 1.7 times (22,125,900 divided by £808,080 of share capital).

there are no free lunches. Magnet and Lowndes Queensway are examples of investments which were not successful.

It is also wrong to think because some of the bigger buyselves, that all buy-outs are in trouble.

A study of a sample of the thousand buy-outs in which 3i had an interest presents a qu different picture. It found in a recent survey that 46 per cent of MBOs reported an increase in employment since the deal, and only 21 per cent a decline. It found too that 37 per cent reported substantially increased profits, 29 per cent moderate increases and only 16 per cent a fall in profits.

But success does not necessar ily change sentiment in the short term, and it is easy to see what happened to the structuring of new MBOs as the banks turned

off the tap. In the latter half of 1989, equity had accounted for only 15 per cent of the typical £10 millionplus buy-out, and the average aring was 5.9 times. By mid 1990 the equity share had risen to 25 per cent and gearing slipped to three times. But by the second half of 1990 the typical deal had 35 per cent equity and gearing of But this is still a far cry from

the witty comment from Jon Moulton of Schroder Ventures that 1991 would be the year when the buy-out funding industry became mature - i.e. "shrunken and shrivelled." Perhaps, more realistically, this year is one to separate the men from the boys in the industry. There are good deals to be done but the test, in the words of Colin Matthew of the Bank of Scotland, will be whether leaders will still be able to spot a good deal when it is put in front of them. Not for the first time in the City, fortune will

#### Jim Levi assesses one route for divestment strategy

# MBIs - and now **BIMBOs**

WHEN Lord Hanson acquired control of Consolidated Goldfields in the autumn of 1989, one of his first moves was to sell the loss-making ARC Construction to Neil Ashley in a £6.2 million

management buy-in.

Within a year Ashley and his team had achieved a dramatic turnaround in the fortunes of the company, now renamed Amey Holdings, despite the construc-tion industry's deep recession. MBIs are not as prevalent as MBOs - there were more than

four buy-outs for every buy-in in 1990 – but they are now firmly established in Britain as a way of selling companies and enhancing shareholder value in large groups In effect the Ashley approach was three parts a buy-in and one part buy-out. This blend of man-agement from both within and

outside a company can increase chances of success in negotiation with the owners and in arranging the necessary package of invest-The combined MBO/MBI - or BIMBO as it has been dubbed at 3i (Buy In Management Buy Out) - often means not only easier negotiations but also a stronger team. Access to existing managment gives the buy-in team a much clearer idea of what they

can expect to acquire and it gives the incumbent management every reason not to take their eyes off the ball while their company is being sold.
The buy-in began to take off in the unquoted sector of the market in 1988. In the early eightics there had only

been a handful of private buy-in deals each year. But by 1985 the number had grown to 23. Two years later the numbers doubled to 47 and doubled again in 1988 to 85 and reached a peak of 118 by 1989. Even in last year's recession there were 93 MBI transactions in the unquoted sector worth in all just under £550 million - itself a record. But recession has certainly put an end to some of the more spectacular quoted company buy-ins.
The MBI concept encompas-

ses everything from Sir James Goldsmith's abortive Hoylake bid for BAT industries through other major deals like the Pembridge takeover of DRG, the Isosceles acquisition of Gateway and not forgetting the pathfunder Paternoster bid for UK Woodworth (Kinglisher) back in 1982. Such major deals are now right out of fashion and likely to remain so until the economy becomes prope until the economy becomes more buoyant. In 1937 there had been 43 buy-ins of publicly quoted companies. In 1990 there were What has been notable in the

harster climate of the past 18 months has been the resurgence of buy-ins of divested aubsidiaries of major companies. Professor Mike Wright, head of the Centre for Management Buy-Out Research at Nottingham Univer-sity, notes that II of the largest 25 buy-ins on record have arisen in this way; notably the 1956 million huwin of larges Hosels from buy-in of Jarvis Hotels from Allied Lyons and the purchase of Hamleys from the Burton Group. This trend combined with the continued steady growth in the



John Shannon, ex Laura Ashley executive, carried out a man Casuals retail chain from Coats Viyella for £13 million in 1989. ment buy-in of the Country

volume of more modest buy-ins has produced the record year for MBIs in the unquoted sector at £550 million for 1990.

Research by 3is Buy-In Unit shows that 52 per cent of its MBIs target family companies. And it is apparently a misconcep-tion to imagine that most buy-ins are turnaround situations.

Frustrated managers Usually in the family business

there is simply a succession prob-lem. There is also frequently a reluctance to sell to competitors sell to an acquisitive public quoted conglomerate which might close the plant down and move the operation elsewhere. Family shareholders tend to prefer their company to remain inde-pendent and locally based. To many it is important to them that they retain their place in the local community - and that someone will still buy them a drink down business for as much as 30 per cent less to someone they feel convinced will look after the company's long-term interests and keep it independent. For the manager carrying out a

buy-in, a locally struck deal has attractions. As they put it at the 3i MBI Unit, if the manager is not careful be can spend half his Behind the growth in MBIs of both private family businesses

and offshoots of larger com-panies are a number of influ ences. One is the frustration of a number of prospective manage-ment buy-out teams who had been outbid for their company by a trade buyer. The entrepreneu-rial touch paper has by then been well and truly lit, as they say at the MBI Unit. The managers could start up a business, but that is risky. The choice is no buy

mething similar. Research by Professor Wright and his team at Nottingham gives some more indications of what makes a successful MBL They surveyed 59 MBI teams during last year and their findings suggest that smaller buy-ins per-formed less well than larger ones. In the case of buy-ins in public company divestments, only 36 per cent were operating below their planned profits target while in the case of buy-ins of unquoted companies the proportion of those below their profit plans was over 60 per cent. (3i suggests that a possible explanation is that when large-company managers buy into a smaller company the are not immediately at borne with the new environment.)

The findings also suggest there is frequently a buy-out ele-ment in the buy-in deal. Either an "insider" becomes part of the team or someone in the buy-in the target company. The survey showed 59 per cent of the sample had such special knowledge and 20 per cent of them had pre-viously been employed by the

company.

The 3i MBI Unit experience suggests the typical MBI team spends a year searching for the right target, "and then spends seven to ten years running it.

34 pic 34 Wateriot Rd Lando SEI SEP

30 SA
Tour Societé Seine
I boulevant Vivier Merle
504C Lyan Coden 42 Primes



INVESTORS IN INDUSTRY

If delives investment control is persuent and long-term capital in the lors of stars and loss investment in despited.

36 SA 36 Avenue de la Paix 67000 Strasbourg Fran Bristologe 48 36 16 66

3i Comiliciast for Industriebetalilgungen mbil Savig papatrane 43 6800 Papatran am Main Germany Interhope 67 766 1870

31 Iberica de Inversione Industriales SA Cafin Radz de Alarcon 12-17 Inda Madrid 19814 Spohn Telephane 1-521 44 19

21 5pA Via Gaetano Negri 3 20123 Milan Iraly Telephone 2-7200 3214

34 Jersey Ltd Burrand Roose Doe Street St Heller Jersey

31 Gatanacy Ltd Le Bonfilon House St George's Espinance St Poter Port Guerracy Telephone Ball 723622

31 (Isle of Mes) Ltd United House 23-37 Athol Street Doogles Me of Mes Telephone 0614 72321

Saine 1358 Roston, Massachmetts (2218 US, Telephone 617-542 3569 21 Ventures

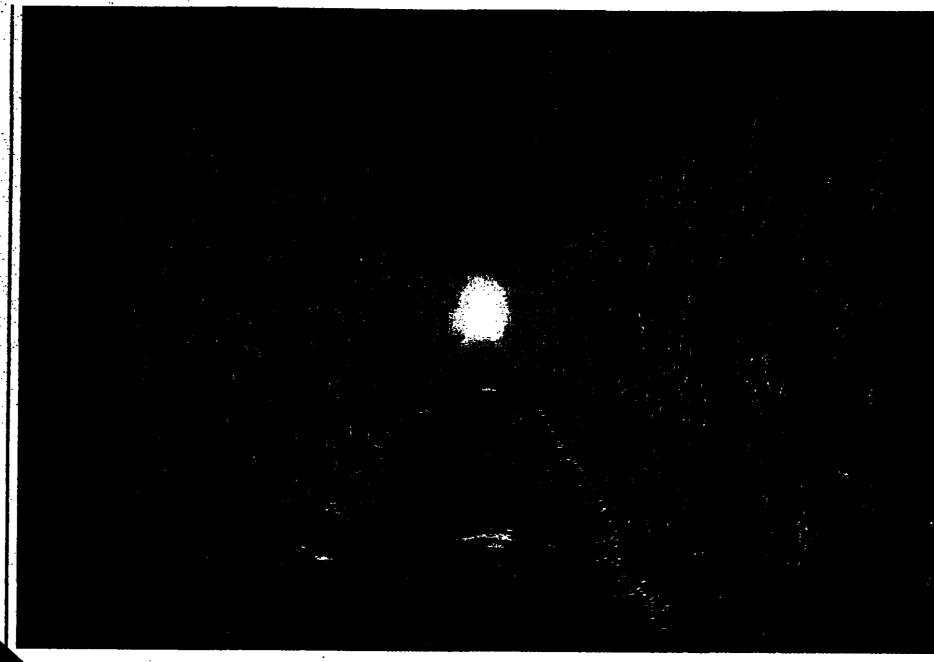
3000 Sand Hifl Road Building 3 Meals Park California 94025 USA Telephone 415-854 3330

BLR Capital Ltd 15th Floor Endeavour Roise 59 Pitt Street Sydney NSW 2000 Austr Telephone 2 247 2541

3BJ 8F Akasaka Op Building 1-22 Akasaka S-choss Minato-ku Tokyo 197 Japan

Gfide Investment Funds Hercalesplein 261A 3684AA Utrocht Notherlands

nter-Risco wesida Boavista 1998, 6 198 Porta ortugal



# DIFFICE VIEW CANDESTS PARTICIPATE CAPITALISTS PARTICIPATE CAPITALISTS

It is a sad fact but true that a short-term view can prove short-sighted and can leave everyone short-changed. Just when a little faith and a steady hand are all you require, defeat is snatched from the jaws of victory. The reason 's business is investment capital, rather than venture capital, is that we take a long-term view. Unfortunately, not everyone is willing or able to do this.

Whether you want to buy the company you work for, buy into another company or set up your own business, success is rarely achieved overnight. Since was established over 45 years ago we have always taken a long-term view of our investments. We know full well that long-term commitment gives your business its greatest chance of success.

At we are able to take this long-term view because of the spread and scale of our investments and our understanding of business. It has proved very successful for many people and as one of the world's leading investment capital companies we are more than happy to take the same view today. If you'd like to know more about what a relationship with could do for you in the long-term, just contact your local office.

3. Group pic and 31 pic are regulated in the conduct of investment business by SiB. 31 Group pic's oversess subsidiaries and associates are not authorised persons subject to the rules and regulations made under the Financial Services Act. 1986 for the protection of investment

#### INVESTMENT CAPITAL: THE INVESTEES

# Breaking out of the corporate strait-jacket

implies, in an MBI a prosen entrepreneur or experienced manager buys into an existing business, even though he may have had no previous link with it. Auty had made a "substan-

rhich ne bought in 1980 – a man after two years he longed to return to business: "my wife was

In 1987 he hit a buoyant buy-

3i has sought to overcome this runs a programme for managers who have the aptitude and skills same time has built up a list of businesses which could be for sale. Many of these companies are family-owned businesses where the owner does not have a natural successor and where he or she is loath to sell out to a rival. An appropriate marriage is

then arranged.

The other major source of MBI
Talent comes from senior manatalent comes from senior manatalent comes from senior managers in an industry who want to be their own masters. They have the advantage over the seasoned entrepreneur in knowing the industry, and they will also have

good contacts.

But they are taking a huge risk

giving up a high salary and all
the associated perks to wenture
into the great unknown. Experiwahuable. Some 77 per cent of the managers backed by 3i had around five years working at

managing director level. David Cauthfield, chairman of As managing director of lesco's retail stores, he was at the very top of his profession and had also worked for Keymarkets and Interhranch out on his own when "the

Nicholas Evans on the managers who get



3i in 1987. It symbolised one characteristic of the Enterprise Culture of the 1980s: that in the big corporations there were frustrated executives who might have "peaked-out" in their present job but had ample energy and ambition to take on more responsibility. 3I popularised the term "Break-out" to describe this phenomenon, and was able to provide capital backing to enable

taking over any small supermar-kets that were candidates for dis-posal. "Safeway and others reg-istered my interest and said that istered my interest and said that when anything comes up, we'll let you know.' My track record was vital," he says.

age of 12 unwanted Low Cost age of 12 intwanted Low Cost stores were offered to David Cauthfield. But these were too large for him to handle and the package could not be split. His

Mr Cauthfield took the four stores now called Bhiedale Stores, leaving Circle C the other eight. His four stores - two in Essex, one in Kent and one in Lambeth - were selected because of a pro-cess of "cherry picking." Two of his shops are freehold sites and a

third has a long lease.
Though the timing of his move to independence coincided with the economy's move into recession, Mr Cauthfield has no qualms about his decisions: "This sort of business is much more stable than a fashion or niche business. We're open late hours and seven days a week, which gives us an edge over the multiples. Trading has been well up to expectations. We're taking £60,000 a week."

trade, Cauthfield let it be known that he would be interested in part of his expansion plan. "Hav-

On a larger scale, John Shan-non, an ex-Laura Ashley execu-tive and Katherine Hamnett managing director, set up the Tuneclass investment consortium, to buy the Country Casuals retail chain from Coats Viyella for £13 million in March 1989. Bringing his retail experience to bear, Mr Shannon had halved the group's debt to £5 million within

Even in the depths of the depression, Mr Shannon is still looking to expand, and in a novel move recently joined with the management of the Casis fashion cham to buy the business from the receivers. Ownership is equally divided between limeclass and the Oasis management, so retaining management control.

Looking to the fature, there should be increased scope for the economy to be farther strengthened by the activities of former

executives of large companies who would like to start their own businesses or buy into existing companies with growth prospects.

The enterprise culture of the

1980s is still alive and well among many managers, still inside the corporate structure, who would family had grown up and my home was paid for."

With 3 investment, which took a 29 per cent stake in Bluedale, he is now on the lookout for a many of the entrepreneurs who sold out of their businesses at the



Look after the pennies, and the pounds ... Handling coins is a serious business and a coin handling company needs the right capital structure. The Coin Controls story is a classic case of a management buy-in - in this case by a man who had already performed an MBO.

A place where investors have found the right people to back

sector are relatively small private

only found north of Hadrian's Wall but this would be inaccu-

feel part of the bur

BILL MILLAR of Scotland's Business Inside

fact that Scotland has suffered

Scotland, itself a combination of ng and curse, may well act

demonstrates that investment capital is nothing if not versatile in the nature of the transactions to which it lends itself.

operations in 1983 as a small management buy-in of a division of Veeder Root. Funded by 3i and the then Scottish Development Agency, in its first year it began carving its way into the petrol pump market and turned over £1 million. After MBI funding came

dom with the golf course or end-

less world tours is likely to be set-ting in now. A hankering to

return to business has been de-

terred only by what many regard as the absurdly high prices

But at this stage of the econo-

mic cycle, prices of companies have been tending to fall.

society a genuine entrepreneur is a decidedly awkward sort of char-

acter to have floating around. He may come charging into all sorts of cosy business situations and upset the existing order. He is likely to be a tough and awkward

kind of chap, not much like the

decent chartered accountants and

find at the local Rotary Club. Worst of all in a country with an

established social order, he may make a great deal of money which, dash it, just isn't far

unless, of course, you were born In many countries, indeed, the entrepreneur has been a perse-cuted species, suppressed by the need for permits, licences and quotas. Not only socialist states

have been governed like this. In

such circumstances the entrepre-neurs are driven into the black markets which may only go to show, in the view of the powers

that be, that they are subversive and dangerous. But to whom? Even in the UK we have not,

until quite recently, had much encouragement to look for the

old manager who led a 3i-financed buy-out. It is never too late fir self-discovery.

In the post-war era entrepre-neurs in Britain often seemed to

tions, from the professions or the

The classic homegrown entre-

demanded for busines

# Scotland's capital seeks some measures, it surpasses all other regions in levels of invest- out Scottish entrepreneurs ment activity save for Creater out Scottish entrepreneurs



In the north-east of Scotland, which has been making as own standard motable opport of the oil industry, the ups and downs of oil-related companies have provided notable opport ties for the use of investment capital. When the oil sector had a downtown in 1967-88, there warloss opportunities for successful management buy-outs with the help of capital pack arranged in the Aberdeen office of 31. Meanwhile a 31 investee company much in evidence is a stronged in the Aberdeen office of 31. Meanwhile a 31 investee company much in evidence in the Meanwhile as a stronger of the Meanwhile as sides over the North Sea is Bond Helicopters, which has grown powerfuspraying in East Anglia. Bond Helicopters relocated in Aberdeen in 1967.

ars it received two more rounds of funding from existing share-holders and the Bank of Scotland takeover by the giant Schlumb nue to grow into Europe.

of publicity with a value of some £200 million, which was twice

In August last year the mant and staff of MacFarlan Smith, the Edinburgh-based fine capital) funded by the Bank of Scotland, 3i, County Natwest Ventures and Noble Gro

But lack of size need not mitigate against the potential user of investment capital. In 1984, 3i backed a trio of enterprising indimillion. After MBI funding came their own advertising agency.
growth capital: over the next few Since those early days in a con-

expansion and has now become tising agencies in the country with a strong reputation for

how recession can work in favour which were successfully funded at the time with MBO capital

oment of companies, be it three or twenty-three years. Every company is different. Personalities, ages and objectives of management teams are different, and the manage-ment team is the key factor in measuring the potential of any Ideally, investee companies

in the uno fore play an increasingly impor-tant role in Scotland, which is not

If Scottish unquoted com-panies are to grow, it is to be hoped that "long-termism" will become flavour of the decade.

# The entrepreneur – a different suit,

THE FRENCH had a word for him, even if the British oficin't: enterpreneur. The British traditionally thought he was not quite respectable, and preferred to ignore him unless, like Cecil Rhodes, he added a few bits to the Pleasant considers how far British.

That is today's message, because after the fat years of the last Thatcherite period has content another serious recession, which respectable, and preferred to ignore him unless, like Cecil Rhodes, he added a few bits to the battling entrepreneur just might throw up the new opportu-John Pleasant considers how far Britain the Empire. Of course, in a conservative

has come to terms with people who make money

tuity and had set up a workshop under the arches, or had got into the army surplus business. But only a few made it to the hig time



Education acquired an antienterprise flavour. It became a cliche to say that once a young man had acquired a degree his chances of making a million had almost disappeared. At Oxford and Cambridge, the universities with the greatest prestige, the anti-business attitudes were the most strongly entrenched. Suctended to have left school at fourteen, or to have been educated

be immigrants, who were not tended to inhibited by the prevailing oppressive business culture, or who simply were shut out, because of their lack of qualifications from the more constant to the constant to Family businesses that had ching on through the depression of the thirties and the controls other prosperous and respectable occupations of the British middle classes.

and shortages of the forties generally had a dynastic approach to long-term strategy. It was each The classic homegrown entre-preneur had been demobbed from the RAF with a small gra-the sons and daughters. Risk and

ambition played little part in family thinking.

Only outsiders, it seemed, could be entrepreneurs. But surely there was plenty of enter-

prise locked away inside main-stream business culture? Indeed there was, and the upheavals of Thatcherism played a big part in producing change. Margaret Thatcher's government swept aside the 83 per cent income tax rates which had locked so many managers into the coars periods of managers into the cosy perks of the senior employee, with pension schemes, company cars and even subsidised mortgages. Capi-tal market constraints were removed, so that hundreds of millions of pounds could be brought to bear on promising small business situations. It is also worth mentioning

that the deep recession at the beginning of the 1980s created the crises that goaded many pascent entrepreneurs into action. Inspiration may be a by-product of lt is probably also true to say, however, that a log-jum was already developing amongst British managers. Large companies had been recruiting more and more bright graduates from the probably according to inscribe

rapidly expanding universities through the 1960s and the 1970s, and a whole new business servi-ces industry was developing, based on phenomenal growth sectors such as information techpology, the media and financial

Given the right trigger the hidden entrepreneurs were bound to come bursting out of their corpo-rate straightfactors. And out they came, often mature managers in their forties



membership of management institutes, looking very different from the traditional entrepreneurs, but needing to show the very same characteristics of toughness, self-reliance and aggression. It is not just a ques-tion of being your own boss. You must also be prepared to be somebody else's boss. Entrepredays, but there has to be a leader. Unlike a previous generation of entrepreneur the 1980s version

and fifties, with grey suits and

came with a list of qualifications and was backed by a glossy business plan drawn up by accountasts. That is the modern style, but is there really such a difference? After all, say venture capitalists, education may provide a useful veneer, but what counts is what is underneath.

An entrepreneur must be able to fight, to be at his most com-petitive in adverse circumstances.

poses dangers for many, but for the hattling entrepreneur just might throw up the new opportu-nities which could make his for-tune during the rest of the 1990s.

Whatever the current econowhatever the current economic difficulties, an endaring legacy of Thatcherism is that the British entrepreneur has become halfway respectable. The civil service has faded in prestige and the importance of husiness has become at least partly recognised in establishment circles.

become at least partly recognised in establishment circles.

Both Oxford and Cambridge are swallowing their prejudices about the vulgarity of "trade" by setting up management institutes and proposing to issue MBA degrees. And in science and business parks surrounding our uniness parks surrounding our uni-versities there are the first homegrown examples of that alien American breed, the entrepreneurial professor and business boffin.

Even in such elevated circles can be found the basic instincts of the emrepreneur, which never change. He must want to make a lot of money, he must want to build something, and he must want to prove something about

Today's entrepreneur has a different face and a more mod-

. .....

State of



aple to bay

LES L'EUR CRESS

THE WASTE WATE

en of capacities

TERRITOR TO

9-12

transport

100

5 S 4 C 7 E 5

in the second of the 

: Suit

#### **INVESTMENT CAPITAL: THE RIGHT ENVIRONMENT**

Tom Peters, US apostle of managerial innovation says:

# Failures are essential



brightness on its horizon to comlikes of Sun Microsystems, Compaq, Apple, Dell, Mips, Sequent, Convex - and a hundred others whose names may be unfamiliar to you, and to the author, despite that quarter century of con-tinuous abode in Silicon Valley.

EA. Hayek, economics twen tieth-century Adam Smith (and the 1974 Nobel Laureate in Economics), is clear: (1) the ower of the market econe its incomprehensibility; (2) the market economy is not "fan" in its choice of winners and losers.

The April issue of a new "insider" Silicon Valley magazine, Upside, is revealing. The lead article covers a battle of technologies between Applied Materials (recently an upstart, now the "establishment") and two genuine upstarts, Genus and Novellus Systems, for U.S. semicondicutor equipment pre-

reasure! Should we try to protect outfit. Organizations are born it, if the neighbourhood newcomers and organizations die in surprisers make scrious inroads into its market? One press that we don't that succeed are unlikely to If Applied Materials' time has come, courtesy of competitor pro-

April's Upside also features an interview with Mips Computer-chief Bob Miller Mips is the surprising front-runner in microprocessors based on Reduced rate deaths - will surpass those ciers who end up providing Instruction. Set Computing who squander their national motive power to that incompre-

and Complex Instruction Set Computing (CISC) is arcane to any but insiders – but tens of billions of dollars are at stake. My point: Silicon Valley (and the U.S.) is blessed to have the likes of Mips, which is pushing so many others, any number several times its size, so hard, so fast.

All of this charming is astonishingly productive — in both efficiency and effectiveness terms

- even though many newcomers and oldsters fall by the wayside in the process. As noted, the pro-cess is incomprehensible and unfair. The race doesn't always MY VIEW of the world is doubtless coloured by 25 years of residence in Silicon Valley. Though
In Search of Evaluate, my meal
ticket for this past decade, purports to reveal secrets for eternal
corporate life, Silicon Valley's
success secret is death.

The engine of vital entroptenully regionally, or on an
indistry-by-industry basis, to
neurial economies is business failure. The downfall of nonconvenience of corporate death.

IBM, after several failow years,
in the right time is to have
mainenous energetic players
abortage of business failure, an irving failing, dying, churning to
begin with.

IBM, after several failow years,
in the right time is to have
mainenous energetic players
abortage of business failure, an irving failing, dying, churning to
begin with.

Fine favoral processor Michael
begin with.

Romer's monumental 1990 book,
Siemens, Philips, AT&TS compour division, Fujitsu or even
Nations, examines 70 industries
in 10 countries. The 255-page
masterwork can be boiled down
to three words: "vigorous dometic scaled to these who train the hardest.

Winners tend to train hard - but
mainly they are the lucky ones in
the right place at the right
time. But the right time is to have
maintenance at the right
time. But the right time is to have
maintenance at the right
time. But the right time is to have
maintenance at the right
time. But the only way, natiomally regionally, or on an
leadingry-by-industry basis, to
place at the right
time. But the right time is to have
maintenance at the right
time. But the only way, natiomally regionally, or on an
leadingry-by-industry basis, to
place at the right
time. But the right
time. But the only way, natiomally regionally, or on an
leadingry-by-industry by-industry
basis, to
place at the right
time. But the only way, natiomally regionally, or on an
leadingry-by-industry by-industry
basis, to
fine at the right
time. But the only way, natiomally regionally, or on an
leadingry-by-industry
by-industry by-industry
the right time is to have
main a place a

to three words: "vigorous domes-tic rivalry." From Japan to the U.S. and Sweden, national suc-cess in a given inclustry occurs. when many local (geographically bunched) rivals - producers and suppliers - are going at one another hammer and tongs.

#### No case for propping up failures

The work of Cornell Professors Michael Hannan and John Freeman is not as well known as that of Hayek or Porter. That's too bad. Their dense treatise, Organizational Ecology, sums up an extraordinary, 10-year research programme which applies rigorous, mathematical population-ecology models to the world of organizations. The authors conman is not as well known as that tions. The authors conclude that there is much change about in the world of organizaninence. tions - but it's at the population
Applied Materials is a national level, not within the individual

If Applied Materials true. The implications are opvious wess, then it should be allowed to those nations which expend relatively, more energy on the dynamics. mics of population of companies
for instance, ensuring condi-tions that fister lots of corporate
births and tolerate lots of corpo-

resources on propping up yester-day's definitionally mal-adaptive

eague champions.

I am not bereft of hope for the giant firm. But my recent attention has turned almost exclusively to how it can, as I have said cisewhere, "violently inject mar-ket forces into its midst." One strategy is to force all subsidiary units, including staff and subcomponent arms, to sell a size-able share of their goods or servi-ces outside the firm, to con-stantly be required to prove themselves by the test of the mar-

Financiers may not be loved, but they are essential!

are timeless. On the other, they have never been more timely. Every industry is yielding to fashion's whims. Product and product-family life cycles are shrinking dramatically for running shoes, grocery products, computers, bio-technologically-based drugs and software, of course. But the story is the same for the likes of chemicals, too – special application products are coming to dominate the industry, and they are more likely to be sold by the beakerful than by the

railroad-car load these days.

What the Japanese have labelled the "constantly launching new products period" stretches forward as far as the eye can see. And in a competitive world gone bonkers, corporate death is more important than ever before. Perhaps the Japanese can learn to deal with the "constantly launching new product period" by traching its elephantine firms to dance. If so, more power to them. But I wouldn't bet on such an elixir working for the British, already over-dominated by big firms relative to others, or the Americans, Given a shabby track record in mega-firm rejuvena-tion, Britain's and America's economic future arguably lies with tion. That, of course, leads directly to the role of vigorous

financial markets.

Bankers and financiers don't win popularity connests. Never have. They make profit for them-selves via a curious process that defies ready explanation – and doesn't include "making any-thing" in agrarian or industrial terms. The process – and profit – seems dishonest because of its ethereal nature (a pure play on information). Yet it is our finanjungle gone increasingly mad.

The largely unsung economic history of the United States is as much the saga of financial entrepreneurs as noble tinkerers,

though only the latter smile down from statues, built to themselves. In the little American dust-up over independence with the British two hundred years or so ago, a private financier, Robert Mor-ris, was arguably as important as General George Washington to the final result: he raised the funds to obtain the guns. Morris also pocketed a handsome profit along the way, and thence earned the lasting score of the lasting scorn of his country-men for his troubles. In fact, financiers have done

their duty most effectively in tumultuous times. The '80s are the most recent case in point When emotions have cooled, in a decade or two, it's likely that high-yield securities ("junk-bonds" - what elsel) will be seen to have paved the way for a neces-sary, bloody, and astonishingly rapid clean-up of bloated Amer-ican industry. While junk bonds helped some

of the ailing elderly toward renewed life (usually by forcing useful, focused units to be spun way from unuseful, centraliz Marxist? - corporate bureaucra-cies), an equally or even more vital role was played by other financiers - a mass of venture capitalists and the unheralded thousands of aurits, uncles, moms, dads, doctors and dentists who fuelled America's small-firm

resurgence.

While I am a corporate critic
by trade, I am far from pessimistic about my native land's economic future. My non-pessimism ( won't go so far as to label it optimism) is largely a product of believing in our continued, relative entrepreneurial vitality. That vitality is one part "national entrepreneurial spirit," one part "entrepreneurial infrastructure." The former is a long-standing national strength in the U.S., pepped up in the '90's by Ronald Reagan (despite his many other failings). The latter includes tensor of thousands of self-help courses and start-a-business books, a rich and growing network of business interdependencies (all firms are on the lookout for efficient and less of size) and, above all, finan-

cial entrepreneurs. Volatile times in the marketplace call for volatile responses from the population of corpora-tions as a whole. The key ingredient for addressing volatile circumstances is lots of tries, lots of crosts, lots of failures here of of starts, lots of failures, lots of that will constantly ma

In his first published article since leaving Downing Street, Brian Griffiths,

head of Mrs Thatcher's Policy Unit, 1985-90, assesses the Enterprise

Economy of the 1980s – and the priorities for sustaining it in the 1990s

# in a healthy economy Please don't trample on the roots of enterprise!

IUDGED by productivity growth, output and investment the 1980s were a success story for the British economy. After two decades of drifting to corporation and increasing state intervention the Thatcher government succeeded in reversing the trend and created an enserprise eco-

nomy.

The foundation lay in the overall framework of policy - the Medium Term Financial Strategy. Control over money supply growth, limits to public spending and targets for public borrowing, as well as the obvious determination of Mrs Thatcher to change attitudes, encouraged enormous confidence among investors. Through a whole series of

ment took major steps to create an enterprise economy. It privatised state industries, contractedreformed trade unions, attacked restrictive practices, created enterprise zones and develop ment corporations, extended share ownership, and abolished wage, price and foreign exchange

It worked. Throughout the decade more than 1½ million people became self-employed, and more than 350,000 businesses were established. These in turn became the major vehicle for job creation. A genuine venture capital industry was created. At the root of this was a fundamental change in attitudes.

penetrate was education and raining liet local employer-led Training and Enterprise Councils (TECs) have been established as a national network to deliver government funded training programmes; training credits (vouchers) are being provided for school leavers on a pilot basis; and at the school level TVEI, and at the school level IVEL, Compacts and City Technology Colleges have been established. Some of these policies have been more successful than others. Much still remains to be

done. Yet despite the current recession, these enterprise initia-tives give the British economy greater underlying strength than it had 10 years ago.

The challenge we now face is how to sustain this energyise ulture throughout the '90s.

Government was critical to establishing the enterprise cul-ture: and government is critical to sustaining it. To do so it needs to set a number of priorities.

The bedrock of the enterprise economy remains the defeat of inflation and a commitment to lower taxes. Inflation destroys an enterprise culture. New firms facing unexpected and unpre-dictable interest cost increases

simply go out of business. Control of inflation has proved far more difficult to achieve than the introduction of any number of enterprise schemes involving extra public spending. Inflation is now falling and our membership of the ERM is a way of locking inflation in at a lower rate. The economic case for entry to the ERM was the same as that for joining a gold standard. In the ERM the Deutschemark, not gold, provides the anchor for low inflation.

The last thing we need at pre-sent is a devaluation of sterling. sent is a devaluation of sterling. The burden of adjustment must be with companies and trade unions in setting wages. Less talked about, but equally important, is the adjustment needed by government – namely tight control of public spending. As always, there are a myriad of reasons for extra public spending – especially in areas such as infrastructure and training. But with so many siren voices demanwith so many siren voices demanding extra spending in so many different areas, the government will find itself under enormous pressure to give way in the next eighteen months. If it does, then far from strengthening the enterprise economy, it could well

#### Privatisation means a new culture

In all cases where companies have been privatised, the culture of the business has changed and efficiency improved. Yet consum-ers want lower prices and increased choice. They will privatisation only if it is accompanied by competition. In nearly all privatisations, government has taken action to increase competition, but in certain areas, such as gas, there is still a long way to go. The White Paper on telecom-munications and the CAA report on aviation are welcome moves in the right direction. Higher water

prices are to pay for a heavy investment programme which was neglected for years.



also be integral to any proposals for privatising coal, and rail, and liberalising the Post Office. No ant cam ever afford to be complacent over competition and de-regulation. In no other area are the forces of inertia so great. ple has been the fate of the Enterprise and De-regulation Unit which has simply become domes-ticated in Whitehall.

Contracting-out by local authorities could be extended from blue collar areas such as rubbish collection to white collar areas such as management of the housing stock, advisory services to schools, and the careers service. The responsibility of the local authority would be to see that these services are delivered at certain standards rather than

supply them.

A further development of the contracting-out principle, in which contracts would be for a longer time, would be in such areas as waste-to-energy projects, light railways, toll roads and municipal airports.

Allowing public sector bodies access to the capital markets

would have enormous attrac-tions. Take the case of universities and polytechnics. Over the past decade universities and polytechnics have increased their ncome from private sources yet morale remains poor. Future growth is still constrained by E. This situation could easily be changed. All higher education institutions could be given total ownership of their own properties and freedom to borro the capital markets (either singly or in groups) against private

would continue to fund basic research, but through the capital market these institutions would be able to fund a key part of their Higher education is just one area: another is the national health service.

Encouraging individuals and Encouraging individuals and families to increase savings is fundamental to sustaining the UK enterprise culture. Yet the present taxation of savings is full of anomalies, despite recent attempts to change it. PEPs and TESSAs are moves in the right direction, but the generators. direction but the government the average family of investing increasing concentration of tutions. The ultimate aim of policy should not be just to reduce taxes on savings but to

Much has already been achieved in bringing schools and business closer together. We teach more personal finance and enterprise in schools and have introduced compacts between pupils and potential employers.

#### Corporatism must be resisted

But education reforms which extend parental choice, introduce testing, develop different kinds of schools, and give greater autonomy to schools remain the way to raise standards, improve technical education and develop children to their full potential. All who leave school at 16 should be provided with training credits cashable at accredited institutions (including companies) while TECs must be given much greater operating freedom than they now have.

The '80s proved a turning point in developing enterprise in Britain. The enterprise culture is not dogma. It is the engine driv-ing prosperity – to the advantage of all. The '90s could be even better but only provided we resist the corporatist challenge and strengthen the roots of enter-

Lord Griffiths of Fforestfach, who was Dean of the City University Business School, 1982-1985, is now

# Increasingly, investment capital facilitates the break-up of large corporations

into units better fitted to compete in today's conditions. The doyen of

American management writers Peter F. Drucker, describes an historic US trend

# idsized is beautifu

the headlines. But midsized busi- & Camble, Unilever and Nestlé;

Between 1985 and 1990: American manufactured-goods exports rose by more than 80 per cent in volume, those to Japan actually doubled. Yet, only two of the nation's biggest companies, Boeing and General Electric selling airplanes and aircraft engines, respectively - significanny increased exports. The rest of the growth - the fastest ever recorded in peacetime America, and one of the fastest in any country's history - was con-tributed by medium-sized firms with sales (in 1990 dollars) of more than \$75 million to less than \$1 billion.

ce the 1987 stock market crash, big businesses across the board have steadily cut employment. Indeed, for the first time since the Great Depression, big businesses have been laying off white collar people in large num-bers. Yet, until the second half of last year, total employment still grew faster than population and unemployment remained at a boom-time low. At least 75 per cent of America's almost ext sive employment growth since 1975 took place in midsized busi-

During the past decade or two, midsized business has become more competitive and big business less competitive. The band-icaps under which midsized business used to labour have largely disappeared. Above all, now that a managerial or professional job. a managerial or professional job markets would belong in the in the big company no longer same value category, in terms promises life-time security as it of price or quality or life-style did only 10 years ago, midsized -appeal.

companies are fast becoming the This theory enabled the sucemployers of choice for many of the ablest young people.

nesses are fast replacing them as the engines driving the American Du Pont, Hoechst and ICI; Inter-national Harvester and International Paper; the Standard Oil companies, Shell and Texaco; GM, Ford, Fiat and Daunler-Benz - were all built on the same conceptual foundation. And so was the Bell Telephone System. To each industry, the theory asserted, belongs one clearly delineated technology. It generates all the knowledge needed to lead the industry. In turn, whatever knowledge comes out of the industry's specific technology will become a saleable product for the company. And there is, the theory asserted further, very little if any overlap between different technologies and between diffe-rent industries based on them.

#### Everything overlaps nowadays

This theory still underlay the rise of the very big companies of the post-World War II period, such as IBM in the U.S. and Matsushira, Hitachi and Toyota A parallel theory underlay the

rise of the large retailers, such as Sears Roebuck in the U.S., Marks & Spencer in Britain, and the artment-store chains in the U.S., Western Europe and Japan. They assumed homogeneous but totally distinct mass markets, again with little overlap between them. Everything bought by a customer within one of these

molovers of choice for many of cessful retailer to change from heing a "distributor" of goods.

But more important than the designed by outside makers into strengthening of the midsised being a "buyer" who creates and firm is the decline in the advan- designs the goods he sells tage of being big.

The manufacturing companies Marks & Spencer in the 20s and

that dominated their industries early 30s.

This means becoming market-during the past hundred years - No new theories on which a driven. It means building into the

big business can be built have emerged. But the old ones are no ionger dependable. Technologies are no longer discrete. They overhap and criss-cross each other. No industry or company can be fed out of one technological stream. Conversely, one technology no longer feeds only one industry.

Much of what the research labs Much of which the largeness are now dis-covering finds its major applica-tion outside of the company and even outside of the industry. "Industry" is becoming a very fivesy from indeed.

fuzzy term indeed. The assumptions on which the hig retailers have been operating sugger noid. There is increasing segmentation in all markets, and increasing overlap and criss-crossing between them. No one, for instance, in the analysis for instance, in the office-furniture market could tell any more what is industrial, whole-

sale and retail. sale and retail.

Big businesses are not going to disappear. On the contrary, we will need quite a few big businesses, some even bigger than anything we have today. Information and money are becoming increasingly global. New challenges, such as the environment, demand the kind of transnational and the kind of transnational work that only very big enterpri-ses can perform. And there are many products and services that can be supplied efficiently only by big organisations.

by big organisations.

Clobal competition in high technology almost certain requires bigness. The competi-tors threatening America's global position in high-tech industries, whether semiconductors, computers, factory automation or highresolution TV are not lonely garage mechanics. They are multi-billion-dollar giants. And the only American companies that have successfully fought them so far are very big companie IBM, Intel, Motorola and Xerox,

for example.

The challenge, therefore, is for the corporation to learn how to be competitive despite being big. This means becoming marketabandonment of yesterday's pro-ducts and technologies. It means organising the whole business around innovation. Big business ses will have to become not only better but different. "Synergy will be out. The more clearly usiness (especially a big one) is focused on one product range or likely to do.

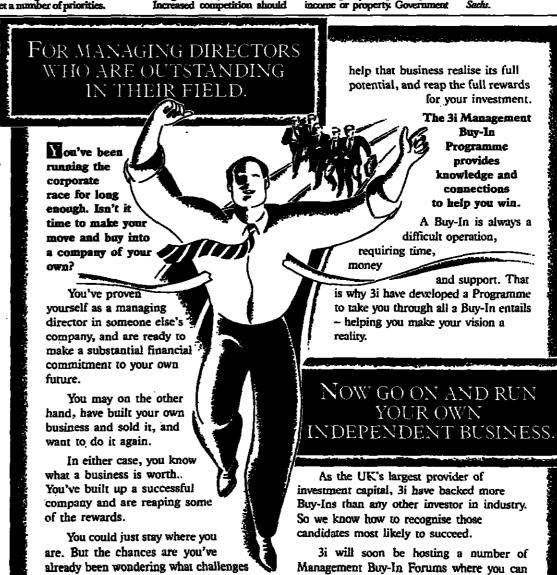
Another implication: whatever diversification a big business needs - e.g. to gain access to a different technology or a different market - is better achieved through strategic alliances, such as partnerships, joint ventures and minority participations, than through acquisitions or grass-roots developments.

Finally, decentralisation is no longer enough for a multipro-duct, multitechnology, multimar-kets company; the various units have to be set up as truly separate businesses. This is what GE, for instance, is trying to do in setting up 13 "Strategic Business Units." One might go a step further and organise the big business the way GE's European counterpart, Siemens in Germany, is organised: as a "group" in which each business is a servariate commany with ness is a separate company with its own CEO and board.

Bigness will no longer be desirable in itself. It will have to serve a function. For 100 years superior performance went with being the biggest in a given inclustry. From now on it will increasingly mean being the 'right' size. And in most fields this will mean being midsized. The shift from the big so the

midsized enterprise as the economy's centre of gravity has been all but ignored so far by economists, politicians and the media. It may well, however, have been the st important economic event of the past 20 years.

Mr. Drucker is a professor of social sciences at the Claremont Graduat School in California. This article pre viously appeared in The Wall Street



decide if you've got what it takes to be a winner. These will be linked to our network of 24 offices around the UK.

If you think you are up to the challenge A Management Buy-In would allow you of buying into a business and making it grow just the way you want, we would like to hear Investing your skills and energy, you could from you. Telephone 071-928 3131.

St defines investment capital as permanent and long-term capital in the form of share and loan investment in unquoted compenies. 3i Group pic and 3i pic are regulated in the conduct of investment business by SiB.



$\supset$	7	Ŋ
7		P
5		A
	8	

Complete and post this coupon to: Management Buy-In Team, 3i plc, 91 Waterlee Road, London SEI XXP.

or opportunities are around the corner.

could be just what you're looking for.

If you're after the excitement of building

up a company again, a Management Buy-In

to take control of an independent business.

Yes, please send me details of The 3i Management Buy-In Programme.

3i ple 91 Waterion Rd London SEI 8KP Telephone 71 928 3131

31 SA 341 Avenue Charles de Gaulle 92521 Neuilly ser Sciae Cedex Paris Franco Telephone 1 - 47 15 11 00

3) SA Tour Societe Suisse I bonievard Vivier Meric 69413 Lyon Cedex 63 France Telephone 72 33 16 72



# 

3i defines investment capital as permanent and long-term capital in the form of share and loan investment in unquoted companies

3i SA 36 Avenue de la Palz 67600 Straubourg France

3i Geselischaft für Industriebeteiligungen mbH Sevignystrasse 43 6800 Frankfurt am Main Germany Teleuhone 69 756 1878

3t lherica de Inversione industriales SA Calle Ruiz de Alarcon 12-1º izda Madrid 280[4 Spain Talanhana 1, 72] 42-10

31 SpA Viz Gaetano Pegri 8 20121 Milan Italy

Ji Jersey Ltd

Pon Street St Relier Jersey Telephone 0534 38229

Le Boulion House St George's Explanade St Peter Port Guernsey Telephone 0481 721688

3i (lale of Man) Ltd United House 33-37 Athol Street Douglas Isle of Man Telephone 0624 72321 31 Canntal and 3i Ventures

Manachuretta 02110 US. Telephone 617-542 8560 3i Ventures

3i Ventures 3000 Sand Hill Hond Building 3 Menlo Pari California 94025 USA Telephone 415-854 333

BLE Capital Ltd 15th Floor Endravour House 50 Pht Street Sydney NSW 2000 Australia

31BJ RF Akasaka Oji Bullding 1-22 Akasaka 8-chome Minaro-ku Tokyo 107 Japan Takashona 3 2487 5291

Herculespicin 261A 3584A A Utrecht Netherlands Telephone 2/51 05 34

inter-Risco Avenida Bon-Ista 1190, 61 1100 Porto Portugal Telephone 2-600 11 68



# AS EMPLOYEE RESERVANT PROBLEM AS EMPLOYEE AS LANE, YOU GET GOO AT SPOTTING PROBLEM.

For over 45 years has been helping to transform British businesses by investing the capital they need to succeed. Over the years we have developed a very good eye for winners. First of all we get to know all we can about you and your plans. That way, when we decide to invest in you, we think you're going to make it. We know the qualities it takes to succeed, we know how to look beneath the superficial and beyond the short-term, and we know how a long-term approach can help you achieve success. An approach which, in our view, is the important difference between investment capital and venture capital.

As one of the world's leading investment capital companies, we have helped create a considerable number of successful businesses. Whatever your particular business opportunity – maybe you want to buy the company you work for, set up your own company or buy into another company – can help you make that change. We offer a wide range of investment capital solutions all based on years of experience and backed by considerable financial resources.

This means that once we've all agreed that you have it in you to become a prince, we are ready to give you the chance to prove that you can. If you'd like to see how investment capital could transform your business, just contact your local office.

ii Group bit and 3i bit are required in the conduct of investment business by SIR. 3i Group bit's overseas subsidiaries and associates are not authorised persons subsect to the piles and malatines made under the Figure at Conduct the Figure at the conduct at the conduct at the figure at the figure at the conduct at the figure at the figure at the conduct at the figure at the figure at the conduct at the figure at the conduct at the figure at the conduct at the figure at the

juddi jebt jebt jusin

wert Prangle

The Cowth is ch

# Suddenly, debt isn't so attractive for a growing business

has typically been family run and financed solely by bank loans. By the late 1980s this resist-

ance on the part of Continental was dissolving rapidly. The heady growth of the venture capital industry in the UK during the last decade had a lot to do wife. changing attitudes on the Conti-nent. As more and more British investors outgrew their domestic market and crossed the Channel showing up the limited range of corporate finance skills amongst their European neighbours.

#### **MAURICE ANSLOW**

Suddenly private businesses on the Continent realised they were squaring up to compete on an international basis with companies which were arguably more financially robust one to use greater equity component in their balance sheets. Many post-war businesses were also facing up to succession problems which inancially robust due to the argued for new ways to finance a crop of management buy-outs. A growing acquisitive trend in private businesses trying to gain entry into other European mar-kets ahead of the completion of new financing tools. There was too, perhaps, a realisation that the "universal" bank which could

THE PRACTICE of raising captured by issuing additional equity was almost unheard of among private companies on the Continent until recent years. Unlike By the end of the 1880s the post-war businesses in the UK. When the process of the continent in the unlisted Continental business the trivial base of the continental business the trivial business that the processor of the continental business the trivial business that the processor of the continental business that the processor of the continental business that the processor of the continental business that the continenta of new winters capital was raised in Europe with the UK accounting for 55 per cent, according to the European Venture Capital

> "Succession" issues mean more **MBO** opportunities

EVCA records that 4.271 new investments were made by all types of venture capital investors in Europe with the UK accountmg for 57 per cent of that

In the next few years the momentum behind venture investing in Europe means that the UK share of the industry will continue to diminish. But whereas UK venture capitalists are keen to continue their expansion onto the Continent, the style of investment and the type of opportunities available will by no ans be a carbon copy of what has happened at home.

The first rush of venture capital into Europe has tended to

outs and buy-ins and solid, middle-of-the-road development or expansion capital deals. In 1989 I.9 billion ecu, 45 per cent of European venture capital investments that year, went into buy-outs with another 1.7 billion expansion investments at 2.974 represented 55 per cent of all two straight development capit European venture investments by or share purchase transactions.

number last year while the 1,098

buy-outs recorded represented just over 20 per cent. On the face of it, Continental buy-outs look likely to increase in years. In Germany, for example, it is reckoned succession problems will mean that one in five of the 20,000 private companies with a turnover of over DM10 million in the next five to eight years.

There were 64 investments in

buy-outs in Germany in 1989 -almost double the number of the previous year. But it is still uncertain whether the German buy-out market will reach the same heights as in the UK and France. Buy-out specialists oper-ating in Germany have found that private companies often lack the depth of management which is required to assemble a buy-out team. Here it is the buy-in, where new management is imanced to take over a company, which may prove the more attractive deal in

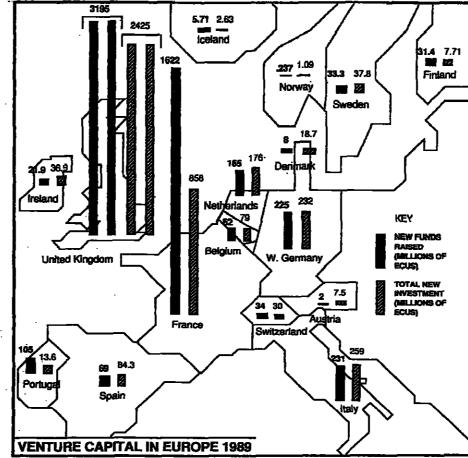
the longer term.

In France there has been a plethora of medium-sized buyouts involving family businesses.

In 1889 there were 263 investments in French buy-outs involvion. But MBOs are not the only focus for equity investment as they only represented 18 per cent of the total 1,452 "venture" investments in the country during 1989. 3i's French operations,

When families look to preserve independent status

for example, made just five MBO/MBI-style investments in 1989/90 with the other 17 going into straight development capital



The UK holds the leading position in employment of the types of capital covered in the statistics of the European Venture Capital Association, with France in second place. As the bars show, the UK raises more capital than is invested within its frontiers. Investment overseas is a significant

The Italian MBO market has also shown strong growth with about 1 billion ecu of deals recorded by mid-1990. During 1989 some 19 million ecu were invested in 38 MBOs. Buy-ours in Italy have sended to be held up by legal restrictions and the market has, so far, been dominforeign investors taking majority stakes. There seems to be considerable scope for the smaller MBO in Italy where families want to ensure independence for

non has yet to take a turn grip, largely because of the lack of financial infrastructure in the country and the high gearing in the balance sheets of private, family-run companies. In 1989 buy-outs in Spain out of 147 venture-style investments.

But Spanish businesses are probably more conducive to equity financing at the moment than many elsewhere in Europe and there is confidence that the talented generation of future managers currently graduating from Spanish business schools ess schools will help transform the prospects structuring equity deals in the

coming years.

Despite the prominence of buy-out transactions in Europe recently, most venture capital organisations realise that equity capital has a wider range of applications. The big buy-outs may get most of the publicity but in 1989 there were over 1,100 investments in European seed or

> Prejudice against the straight equity investment

start-up businesses receiving equity backing according to the EVCA, and around 3,000 businesses received expansion or replacement capital. There is also a desire on the part of many a treate to the part of many investors to pump venture-style equity money into those small capitalisation quoted companies who have found it difficult to

wiso nave noting it difficult to raise additional capital through conventional rights issues. The style of equity investment into Commental businesses is, if anything, more flexible than has been the case in the UK. havestors have learned that they often have to offer a mixture of equity and convertible loan to

overcome some of the prejudices against straight share deals on the Continent. In France, for example, there are certain tax advantages which the convertible bond has over equity and in Germany the market has come to Germany the market has come to favour 50/50 debt-to-equity type deals. In Italy there is a resistance to the idea of paying dividends against equity holdings and so, again, investment packages which offer a mixture of equity and debt are sometiment. equity and debt are the most

feelings about extending loan facilities to Continental businesses because it is normally impos sible to obtain the same type of security enjoyed at home. But in general European businesses have become more conscious of gearing levels and grown more cautious of debt as a form of expansion finance. The spread of equity-style investment in private ies will be just one of the companies will be just one of the many features brought about by the greater uniformity of business practice coming about across

Maurice Anslow is Editor, UK and European Venture Capital Jour-nals, Venture Economics Publishing

#### Euro-enterprise

# When family firms need a new shape

AT LEAST two important forces are at work changing ownership patterns of businesses in main-land Europe in the 1990s. One concerns ownership of family businesses. The other arises from the ambitions of professional managers to become entrepre-

Collectively, the independent company sector faces a succession problem. Many businesses which emerged in Europe after 1945, and have remained substantially as family businesses, bave now reached the stage when there must be a change of

In France, where it is estimated that up to 55,000 independent companies change hands each year, three quarters of these changes are said to be due to sion problems, and 30,000 French companies are said to disappear each year as a direct result of failure to deal with succession issues.

According to the CEPME (Centre de Petites et Moyennes Enterprises), one in two of company sales takes place because there is no successor with the family.

This figure belps to explain why investment capital techniques developed in the US and Britain are now beginning to find favour in France as a means of preserving company independ-ence. Family businesses have often lost that independence due to ignorance of the options open. In this context, one of the simplest and most effective uses of investment capital to emerge in France, and other parts of Europe, is the private placing. This enables a family shareholder to withdraw from a company without provoking a capital structure crisis, by transferring his or ber shares to an investmen capital company or other institu-tional investor. Stability is maintained, or restored in what otherwise might have been a disruptive situation.

The succession issue has common features around the globe. One feature, drawn from the

#### **Shareholders** reluctant to let go of equity

folklore of northern England, is generations" syndrome - the founder creates a business; his sons build it up; his grandsons dissipate it. That doesn't always happen, but it can happen often

enough to be worrying.

In talking about succession planning, it is important to realise that it is not simply a question of tax planning for a family business whose owner. dies. The share structure of the company is at the heart of the

Other uses of investment capital. apart from the private placing, can provide a solution for succession problems. One is the management buy-out, another is the management buy-in. Any of these can deal with the restructuring of the shareholding base in independent companies at points where they face important

change.

Trigger points happen for a number of reasons other than the death or retirement of the owner. It may simply be the need for It may sumply us use most expansion capital which is not available from familiar sources.

The scope for this use of vestment capital is obviou France - and in Spain and Italy with their tradition of independent companies. Clearly, providof persuading fiercely proud and private companies of the catalytic

investor can have on the company's outlook and ambitions. Investment in the solution of succession problems is clearly a capital providers. Less extensive

(at present) but still a vital factor in the restructuring of companies can be investment in the ambitions of managers wishing to achieve independence. "Breaking out" - the pheno-menon which was very much part of the British Enterprise Revolu tion of the 1980s - has reached mainland Europe. This was the

finding of a survey.\* covering three Continental countries as well as the UK, which suggests that a growing number of experienced European managers are set to leave the security of large corporations in layour of the independence of their own business - the trend which was seen by many people as marking the development of a

The survey, covering 640 com-

#### 'Risk' no longer a dirty word for managers

pany directors in the UK, France, Germany and Italy, showed that more than 85 per cent felt the break-out climate had become

more favourable in a decade. Whereas their UK counter buy-out as the most likely means of achieving independence. Euro pean managers tended to see their ambitions in terms of the

business start-up. Asked to account for the change in attitude, 3i's Managing Director for International Investment, Dr Neil Cross, pointed to of funds and to changing cultures. "For too long entreprency-rialism has been rarred with the and enterprise are no longer dirty words for more and more Euro

pean managers."

Changes in culture in favour of risk taking had emerged strongly in the survey in Italy and the UK he said. There was also widespread agreement that more companies were adopting divestment as a curporate strategy and that this was creating opportuni-

these results are the similarities in attitudes, across the four countries, to the idea of managers owning their own business with the backing of an institutio-nal investor. This is surprising in Continental Europe, where the investment capital model which we now take for granted in the UK has only really started in the past four or five years to find

acceptance.
This augurs well for the ecunomies of Europe where the small to medium-size sector is

growth prospects."

Sharp national differences emerged in the survey, which is the first international comparative assemble into attitudes to "breaking out." Freedom from autocratic methods was cited by a large majority of French respondents as a reason for setting up, while in Germany managers were more likely to set up on their own because of opportunities. The majority of respondents, particularly the survey considered that relations and friends should be avoided as potential sources of funding for break-out.

\*Attitudes to Breaking Out in Europe, by Graham Bannock (3i 1990).



meet the challenge of 1992 with the help of investment capital is SCV-Audio. The company was founded in 1978 by four audio enthusiasts and is now a French market leader in discribution of specialist audio equipment, with a turnover of 103 million francs (about £10.2 million) and subsidiaries in Holland and Belgium. 3i invested in SCV-Audio in 1988.

Reviewing the Group's experience in France, Dr Neil Cross, 3i's

Managing Director, International, said: "Our experience there, and in Germany and indeed elsewhere overseas, makes us increasingly confident that the 3i brand of capital – long-term and non-interfering – can meet a real need in all the developed

## Robert Pringle examines the background

to a great EC success story

# The German growth formula is changing

GERMANY, the dominant economy of Europe, depends on a standards, with own capital on the system is beginning to cent of total balance sheet assets. German re-unification and the capital.

In 1989, long and short-term is beginning to clebt increased by about 10 per corporate restructuring. As else-

any well since the war, has

finance than in the UK

• A relatively small number of companies quoted on the stock rose nearly 12 per cent in 1989. exchange The latest available Bundesbank's annual review of the profitability and financing of

The traditional pattern of debt increased by about 10 per industrial and commercial cent, while own funds increased financing, which has served West by only 7 per cent. Yet the Germany well since the war, has consistently good liquidity position" of German firms because the massive increase in corporate profitability during the 1980s allowed substantial additions to

Even before the unification of the two Germanys, there were signs of an incipient change. German capital markets were not German emergrises portrays a immune to the influences affect-picture of strong yet balanced ing international markets during sicture of strong yet balanced ing international markets during expansion along traditional lines. the decade. There was a rapid

corporate restructuring. As else-where, booming stock markets encouraged the gradual develop-ment of second-tier markets in

As in other countries, there was a boom in new company formations. The number of VAT registered traders increased by 14 per cent in between 1980 and 1986. The "SME" sector - small increased its contribution to the economy even more, to reach an estimated 36 per cent of gross domestic product (and nearly



Investment capital has enabled many UK companies to structure themselves so as to strengthen their international dimension. With a workwide reputation built up since the pottery was established in 1809, Denby Tableware in Derbyshire eventually became part of the Coloroll group in 1987. When Coloroll went into receivership last year, the managers of Denby performed a management buy-out from the receiver, with the help of an equity and mezzanine capital package arranged in the Nottingham office of 3i. "As an independent company," managing director Stephen Riley says, "we are now concentrating on expanding our overseas sales and becoming less dependent on the UK market."



Germany's manufacturing achievement since the post-war "economenty of other countries. But the way it has been financed has to evolve.

firmed that SMEs play a signifi-cantly greater role in the German my that in that of Britain not because there is a greater number of such firms but because on average they are

larger in Germany.

Notwithstanding these changes, the traditional pattern of industrial and commercial financing has continued. The links between banks and industry can be examinated. Direct thins between banks and industry can be enaggerated. Direct shareholding by banks in industry is mainly confined to very large companies.

Support for small companies and high-tech companies takes the form of a ladder of support facilities angular from small

facilities ranging from small (up to DM.1 million) loans and grants under the European Recovery Programme (administered by the three publicly-owned banks), through support from such institutions as the Kreditanstalt fuer Wiederaufbau (the publicly-owned banks run on a commercial basis which lend to companies with turnover up to DM 500 million) to private institutions such as the Industrie Kredithank - owned mainly by the big banks and insurance companies — which has 7000 medium-sized companies among its clients lending about DM 2 billion a year in new money.

Three factors among others have started to change this patiern. First has been the reunification of Germany, second the steep rise in real interest cates in Germany and thirdly the need for German industry to gear up for the coming of the single European market in 1992. In combination, these factors have given rise to an almost frantic search for new sources of invest-

After all the setbacks and sappointments attending re-ification, bankers and provid-

ers of investment capital have begun in the last few months to stress the opportunities rather than the difficulties. Four new capital funds have been started this year alone to finance opera-Lander (bringing the total number to seven). The Dresdner Bank subsidiary, for example, is already talking with 35 East German companies on possible manage-ment buy-outs and other forms of

financing.

Bedin and the eastern part of Germany are also seen by many European and US companies as Europe's main gateway to eastern Europe, the Baltic States and the Soviet Union, where the demand for investment capital is limitless in the long term and significant even in the short – notably in

ing from re-unification are also straining the budgets of the Federal Government and individual Lander - and this is placing new constraints on the funding of their programmes to assist small and medium-sized companies. The pull of the East on the available resources whether of risk capital or grants and soft loans - is likely to remain strong. So high-growth are facing much more compen-

tion for such financial resources. The move to a high interest rate regime by the Bundesbank, large reduction in rates can be expected for some time, is causing many German com-panies to look again at the adequacy of their capital base. East-growing companies in particredit-worthiness and limit their recourse to new bank lending at a time when interest payments on

Normally high-growth com-panies rely on debt for more than 50 per cent of their financing needs – and short-term financing is often the largest part of this. But financing behaviour that was sustainable when interest rates were 5-6 per cent is often not tolerable with lending rates at 12-15 per cent. This is another factor fuelling the demand for investment capital.

A special influence affecting

original founders of successful firms set up in the 1950s and 1960s have now reached retire-ment age; in the past their only option, if there was no successor in the family, was to sell out to a trade buyer. The unlisted securities and over-the-counter markets have grown but remain relatively underdeveloped, due mainly to the tax disadvantages associated with the legal form of public limited company. With about 4,000 founderentrepreneurs expected to retire in the 1990s out of a total medium-sized company sector of about 20,000 companies, there are obvious opportunities for institutions willing to invest in such companies.

traditional financing sources available to high-growth com-panies in Germany - and the opportunities in the East annual growth rates of 25 per cent can be expected for at least in the short to medium-term. Although the German investment capital industry remains smaller than that of its counterpart in Britain, it is plainly set on a path of rapid growth.

Ewen Macpherson of 3i describes how management teams with a good proposition

can choose among different sources of capital

# The money is there

WITH all the attention focused recently on the high cost of borrowing capital, an important management or leveraged buy-outs, which may lead to the company being split up or otherwise rowing capital, an important point tends to have been overpoked. There has in fact been no shortage of capital to fund econo-

mic growth in recent years. It was not always so. This can be illustrated by quoting one set of figures. In the period of tight credit in the mid-1970s, it was necessary for large companies to pay two-and-a-quarter per cent over LIBOR for medium-term loans. The same company today would pay perhaps only a few basis points over LIBOR, though this has been increasing in recent

In 1981-82, some £6.5 billion was invested by companies in British manufacturing industry. In 1988-89 the annual figure had risen (at 1985 prices) to over £10 billion. The result was to be seen in the remarkable growth in the UK economy during the later 1980s. This total was all accounted for by what may be called "real" investment, not investment in transactions such as leveraged buy-outs or purchases of other

ment reflected not only the increasing profitability of the company sector, but also the ability of the banks to increase the amount of debt they were willing to provide. A major factor here was the arrival of the Japanese hanks. The Japanese - great sav-ers, and with substantial surplus sources – were in a position to belp fund the growth of the British and other economies of the

To put the capital supply situation into perspective, a distinc-tion can be made between these

Development capital. This covers capital to build new plant, reequip factories, enter new marets. etc. One can identify a special category of very large pro-jects which have attracted unusually large sums of invest-ment capital recently: for examole, the Channel Tunnel and

apanese car plants.

Fonsaction capital. This is capital to enable companies to finance changes of ownership, including

restructured. The value to the economy of some of these transleveraged deals of the late 1980s, may be questioned. But it is

important to note that corporate restructuring can be beneficial, indeed is often essential, in encouraging real growth, and is a perfectly legitimate use of capital. Property development. Again, there have been excesses, but property investment and development is another important, legitimate use of capital. There have been some very large projects in this categ-ory of investment also: for example, London Docklands and Broadgate.

Some banks and some other suppliers of capital have tended to get their fingers burned in certain deals in the "property" and "transaction" categories of investment in the late 1980s. Many companies changed hands at unrealistic prices, fuelled by readily available debt: with the downturn in demand in many sectors, highly geared companies are having problems servicing debt taken on in the "boom"

It is noteworthy that when the holding companies of conmerates, such as Coloroll or glomerates, such as Coloroti or British & Commonwealth, have failed, many of the subsidiary new form and with new owners

in the early 1990s, the banks have

had more conservative lending

Fixed investment



lequately. One of the clearest lessons of the past year has been that over-reliance on debt brings trouble. Today, as always in the past, the most vital element in funding basic industrial growth is not loans but equity capital. Growth in listed companies during the middle and late 1980s was

> The 'fund' method of investment

Turning to unquoted com-anies, there has always been a debate about whether they ha access to the equity capital they need. The 1980s saw a spectacu-lar increase in the availability of what came to be described as venture capital, although this was never an entirely satisfactory description. In the 1960s and viding this kind of capital to nies without access to the capital markets could have been counted on the fingers of two bands (with most of the business being handled by ICFC), but today there are some 150 of them.

Although there are a number – perhaps 30 – of investment trusts providing this type of capital, many of the venture capital houses operate on what is called a "fund" basis: they manage a fund to which several institutions subscribe, including insurance companies and pension funds. The institutions came to see during the 1980s that there can be good opportunities for invest-

The problem for fund mana-gers is the need to lock up their finite period, whereas Stock Exchange investment provides for constant review of the portfolio. The solution has been for the fund to operate within a of perhaps seven to ten years.
This suits a young or growing

company where the management has a clear strategy to make the company grow significantly over,

then to "exit" - to sell out either to another company or by going public. The shareholders hope to get their money back with a sub-

tantial capital gain. The fund is thus realised within the period of seven years or so. Broadly speaking, a ven-ture capital fund manager may expect to put together a new 7-10 year fund every two or three years in order to enable him to continue to respond to "deal flow," and as the investments mature, the capital is returned to the original subscribers.

These structures can have disadvantages, of course, if there are unexpected changes in conditions during the term of the investment, if the companies or the markets do not perform as predicted, or if there is a general downturn in the economy mak-ing realisations difficult. It is sig-nificant that some of these "fund" houses performed most vigorously in the expansive days of the late 1980s but have been less active recently.

The alternative method of con-The alternative method of conducting an investment capital operation (which is that used by 3i) is more long-term. Here the investment capital house is not managing a fund raised from other institutions; it is investing its shareholders on a nermanent its shareholders on a permanent basis or from capital markets.

It will subscribe share capital in various forms of preference shares or ordinary shares, and its holding will normally be a minority one. The date of the exit," if any, is determined by the majority of the shareholders. Indeed, there may be no commitment house is locked indefinitely into the investment. Naturally, the erms on which the investment is written will take account of this.

A common arrangement in a company might be that the family or the managers hold something of the order of 75 per cent of the shares and the in-So it would be the family or the

team planning steady growth over a long term. From the point of view of the investing institution, it can be a profitable way of doing business - provided it has the resources to take the long view and the steady nerves needed to have faith in its original

investment decision. Where do such investr companies get their money? At 3i funds were originally provided by shareholders and subsequently from retained earnings: new investment is possible from the running profits on old invest-ments and from realised capital gains where realisations have taken place. Further funds have been raised by borrowing on the

Portfolio built up

international market, although 3i has not done this since it went 1987-88; we have been able to meet the very large demand for our capital out of internal profits

and growth.

Operating in this way, houses such as 3i can meet a very large part of the equity needs of the unquoted market. Even the led, with syndication.

Over the years a long-term investor can build up an extremely valuable portfolio. There may be considerable scope for debate, of course, on how the portfolio is so be valued, when there is no active market in the companies concerned. Over

I am sure, however, that, given the high quality of investment management, the long-termism of 3i's operation is a strength, not a weakness, and 3i has been able an average annual compound rate of around 20 per cent by following these long-term policies consistently over many years.

Ewen Macpherson is 3i's Managing Director (Finance and Planning).

Is there a type of business that thrives on investment capital? One commentator on the

business scene examined the 3i portfolio and found realistic, experienced management

# A successful middle layer 3i IS unlike any other British organisation. Its sheer size and its long-termist philosophy set it apart from other members of the intermediate of

investment capital world. It is regarded as a creature apart - a giant to be lived alongside.

It is owned by banks, but it has a distinct culture - even the loca-

tion of its headquarters, on the wrong side of the railway tracks at Waterloo, sets it apart from the City locations of its shareholders. But it has played a crucial role in helping over 10,000 British companies grow since 1945. With companies grow since 1945. With UK clearing banks preferring not to become stakeholders in industry, the need for an equity-provider for small to medium sized commanies has always been clear. Yet from the end of the

ten to fifteen years, ICFC, which tually to itself. Even though more than 100 investment and venture capital organisations have sprung up in the past decade, 3i has maintained its growth. In 1975 it invested £50 million; in the year to March 1990 it

Second World War until the last

At the end of March 1990, 3i had holdings in 4,126 companies. The total value of its investment portfolio was £2,522 million. The average investment is distorted by a few large holdings: the median investment - the value of the stake halfway down the list - is

invested almost £600 million

than other providers of capital. However, of the £1,751 million outstanding investment in the UK at the end of the 1989/90 year, 49 per cent was in com-panies in London and the southeast. The group has recently started to expand abroad, and now has £217 million invested in

its international portfolio.

About 45 per cent of the amount currently invested is in manufacturing, with engineering accounting for the biggest slice. The wholesale, retail and catering sectors accounted for about 24 per cent of total invested.

A study by Graham Bannock and Partners showed that in 1987 3i's investee companies on average employed 200 people, had a turnover of £11 million and exports of £1 million. They were also more profitable and fastergrowing than UK industry as a whole.

In other words, they make up a successful middle layer of the British economy – this is a layer that is particularly strong in Germany, and is indeed considered the females in deed considered the foundation of that country's economic strength.

But because 3i's investee companies are so diverse, it is difficult to characterise them except in the broadest terms. "We have an ideal," says the group's UK managing director Derek Sach. medium-sized, which is well-managed and is capable of

managers."
A keystone to 3i's strategy is that it will not liquidate its investments until the major sharehol-ders decide to sell, through a trade sale or flotation. But even after a flotation 3i does not always dispose of its stake: it has shareholdings in about 200 quoted groups including More O'Ferrall, Compass Group and Westbury Homes. The fact that only a handful of names have grown large while keeping their 3i backing reflects the tendency of British entrepreneurs to sell out. However, it retained a stake in British Caledonian right up to the sale of that airline to British holder in the publicly quoted Oxford Instruments, which it packed at the start-up stage in

Perhaps the best way of categorising 37's investment portfolio is by looking at the way in which 37 became involved. There are five main routes by which an investment is made: private share placement, start-up, management buy-out, management buy-in and growth capital.

Private share placement is simply where a shareholder of an existing company sells all or part sting company sells all or part "It is a corporate entity, probably of his holding to 3i, possibly as an

known example is the market research group MORI in which 3i has a minority equity invest-

that Si is not interested in start ups. This is not true - in 1989/90, 3i invested 688 million 3i invested £88 million in 302 new companies. But it is a fact that 3i is extremely fussy about

The Group's size means that it can afford to take considerable risks. But although, as Mr Sach says, it may "take a punt" on a graduate, with a bright idea, who prefers solid realists with plenty of experience. Consett in County Durham,

Keith Stephenson is a good example. He was a senior manager in the packaging industry who decided in his early 40s that he wanted to set up on his own. He reckoned there would be increasing demand for plastic milk bottles, and persuaded 3i and various public sector finds to back him. Now his company PurePlas is expanding fast, and he is held up as a paradigm of the sort of professional-cum-entrepreneur that the group loves to back.

Si can realistically claim to have developed both the management buy-out and the manage-ment buy-in in the UK. In both cases, the underlying philosophy is the same as that in start-ops; to "liberate" managerial talent that would otherwise lie dormant.

3i is stung by criticisms of management buy-outs as mere enercises in financial engineering and believes that they have been an important part of the mechanism by which British industry was restructured in the 1980s. A recent estimate suggested that MBOs account for 600,000 jobs and a combined turnover of £25 billion, and that the share of 3ibacked MBOs is 250,000 jobs and £12 billion turnover roughly equivalent to the sales of ICL In 1989/90 it invested £145 million in 116 MBOs worldwide, and completed its 1,000th MBO

are not, however, the sort of deals

going to run his own business successfully probably learned his management skills by holding a responsible executive job in industry, so the wheel shows the individuals emerging from the manve area of "Large Business."

During the Enterprise Revolution of the 1980s many executives in industry developed ambitions to become their own boss. Many The study also backed 3is belief that MBOs tend to improve performance. The average rate of return on assets of the MBOs was fairly consistently above that of the 3i portfolio as a

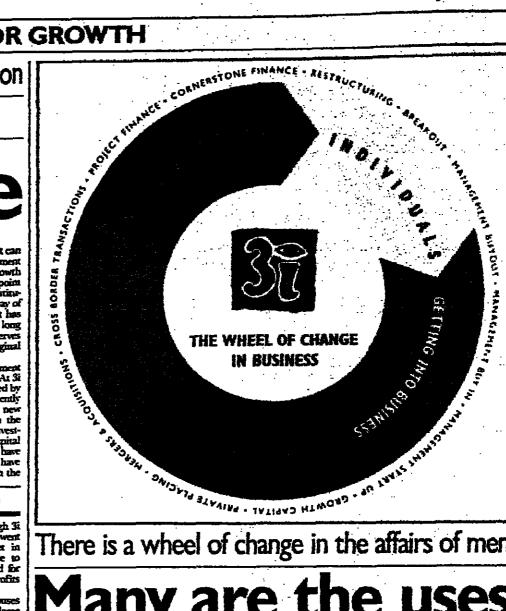
marketing in the first year while 26 per cent increased marketing where they were already employee-managers. Any of these "points of change" needed capi-

> nange. The next turn of the wheel is to "Change of Ownership." This again is a natural part of evolu-tion. Change of ownership can occur in a successful business for number of very good reasons which include: The founder may have reached

retirement age.

Alternatively, the businessman, still relatively young, may feel he has done what he wanted to do by setting up a successful company and will now realise the value of what he has cre-

ated and move on. He may see this as deferred reward for the



There is a wheel of change in the affairs of men

# Many are the uses of capital

THE STORY of capitalism is the story of change. It has been cal-led economic Darwinism: the survival of the littest applies to companies as to any other organ-

Suppliers of capital have always had to be students of the process of corporate evolution and change: they know there are specific points of change where westment of capital is needed. These points of change include: When the company comes into

When it experiences signifi-

cant growth.

When it moves into a new When it launches an important

new product. When a company changes hands or a significant propor-tion of its shares change

When a moderate-sized business becomes a big business, possibly a quoted company: Suppliers of capital always ought to be studying not only the processes of change but the kind of people in whom they should invest. It is people who make

change happen.
At the end of the 1980s - that decade of change - when 3i was considering the next stage of its strategy for investment in businesses, it came up with the con-cept of a "Wheel of Change in

The starting point, shown in the yellow sector at the top of the wheel, is "Individuals." It is individuals who set up businesses. But they don't emerge from nowhere: the individual who is going to run his own busin

to become their own hoss. Many of them moved into the blue area - "Cetting into Bosiness." Some of them started a new company: Others carried out a manage ment buy-in into an existing com-pany, or took part in a manage-ment buy-out of the company

The next challenge takes the ambitious businessman into the green area – "Growing a Business." Growth may mean installing a new plant, or developing a new product, or moving into a new market, or acquiring another business to complement existing capacity. Further capital is needed at any of these points of

wish to stay and make the company grow further, but meanwhile deserves to see meanwhile deserves to see some of the value of the company translated into cash in his bank account. He can do this by selling a proportion of the shares, on the open market or by means of a private placing with an institutional investor.

**MORRISON HALCROW** Editor of the investment capital magazine QED, published by 3:

Whatever form the sale takes. it involves yet another application

The wheel now moves into the The wheel flow mores and the mauve to complete the circle. The successful company has graduated into the large-business category. With the injection of further tranches of capital it has grown organically and has probably grown also by acquisition of acquisition of states becomes the

But the wheel never stons turning. The next stage can often be Divestment has been an

important recent feature of the conditions, large companies have strengthened their balance sheets and reduced their debt burden by selling off subsidiaries. Even without the challenge of

recession, there are good reasons for divestment. Modern manage-ment thinking is emphatic that the best results come when a company concentrates on its cure businesset, and sells off other subsidiaries or divisions which have become part of its structure

When divestment occurs, it provides opportunities for management buy-outs and manageback to our starting point of managers in large companies who with to break out of the cre-

The "core business" plainsephy in large businesses also creates a climate conducive to business start-ups. As large com-panies withdraw from non-core activities they farm out various functions previously carried out in-house. This can provide scape for a host of small component suppliers and providers of a wide range of support services from window-cleaning to IT con-sultance......We are back at the opportunities for individuals in the wheel of change - and the nities for undividuals in opportunities for introders of

capital to support them.

The Business Wheel of Change is a convenient summary and a useful reminder that in a healthy economy, nothing stands still it also illustrates how business growth depends on the right kind of capital being available to back the right individuals at the right potest of change in their

Ambitious managers can ask themselves: where am I on the wheel of change?

# **Entrepreneurs** who sniff the wind

THE 3i portfolio consists of companies which tend to be optimists. They have sound to be sure the sure optimists. reasons for optimism – overall
they have a record of growing
faster than the average in their
industries. Moreover, 3i
obviously looks to invest in
businesses run by managements who are positive-minded
as well as realistic. Against that
background, it is useful to note
the pattern of decreasing
optimism in 3i investee comnism in 3i investee coin panies over the past two-andra-half years about the general business climate, and then an and whether there is a "new upward turn in the spring of 1991.

whether, compared with a year tions even when their answers previously, the "business and about business prospects for political climate" is more or less their own company were still Exvourable to:

activity; Growth by acquisition.

emerprise culture in Britain.
The Barometer was inaugu-A random sample of portfolio rated in January 1988, with an companies are polled every index, based on answers to three mounts in the Enterprise these questions, fixed at 100. Barometer Survey, with questions of the index rose in the first half Barometer Survey, with questions not only about their own of 1988, then started its fall in business prospects but about the summer of 1968. It can be their assessment of factors argord that this group of busiwhich are believed to foster nessmen were among the first growth in smaller and medium-sized entrepreneurial business-ses. Each quarter they are asked answers to the Barometer ques-

TAN MAL MAL MAL

starting new businesses; bullish.

Starting new businesses; The Barometer index were negative in April 1990. But the last survey in April 1991 showed a significant upward move, turning positive once more. It They are also asked whether turning positive once more. It they think the North-South will be one of the business Divide will get narrower or indicators worth watching over wider over the next year or so, the rest of this year.

91 Waterloo Road, London, SEI 8XP. 3i Group ple and 3i ple are regulated in the conduct of investment business by SIB. 3i Group pic's overseas subsidiaries and associates are not authorised persons subject to the rules and regulations made under the Financial Services Act 1986 for the protection of investors.

The opinions expressed by authors in this supplement are not necessarily those of 34.

Comments and requests for information should be addressed to Chris Woodward at 3i, Telephone 071-928 3131.



#### Basis of a strong portfolio SUMMING up the strengths of 3i, which have benefited busi-nesses in which we have extended to mainland Europe over recent years) means that

invested over the years and contributed to building up the value of our portfolio, I would pick out three main features: • A well established regional

network of offices with considerable local freedom of A genuinely long-term philo-

sophy.
• 3t's "industry" skills — we have built up an Industry Department staffed by people with relevant manage-ment experience in a wide

The local office network in of the Group, so that it can tap the UK (which has been into the means to carry out very UK Managing Director, 3i.

decisions about prospective investments can be made speedily on the basis of perso-nal knowledge of the indi-viduals seeking capital and of the local business environment. There is no reason why a business in Wales or Scotland or the North or the West Country,

seeking investment capital to enable it to carry out its growth plans or to restructure its shareholding, should have to go to London. Each local office has of course access to the full national and international resources

complex financial operations possibly requiring many mil-lions of pounds' investment. The flexibility of the local office network is enhanced by the Industry Department, which can provide a second, well informed view on the pros-

rent standpoint.
The third strength - longtermism - has been a feature of investment policy since the ear-liest days of 3i. It has enabled literally thousands of busines ses to carry out sustained growth programmes on a sound financial basis.

Derek Sach

There have been two contrasting complaints about MBOs. One is that they are too highly geared and therefore very vulner-able to rising interest rates. These after making the buy-out. This certainly did happen sometimes in the boom times, but a survey last year of 366 3i-backed buy-outs by Graham Bannock and Partners found that only 6 per cent had been resold.

whole, and 37 per cent reported substantially increased profits after the buy-out. A further criticism of buy-outs is that owner managers will tend to squeeze spending Bannock's evidence contradicts this, show ing that only 5 per cent of buy-outs cut investment, 3 per cent cut R & D and 5 per cent cut

spend, 36 per cent investment and 14 per cent R & D. The management buy-in which 3i started to popularise from 1987, was based on the idea that there were plenty of companies that needed new manage-ment, but did not have the skills required within them. Its "break-out" programmes attracted experienced managers and enabled them to become installed

via takeovers in the target com-panies. In 1989/90, 3i backed 64 MBIs, worth £97 million. MBIs, worth £97 million.

But the biggest part of 31's total investment that year, £229 million, was for "growth capital." providing capital to companies that want to expand. Much of this money was invested in companies already in the portfolio.

Although many companies

Although many companies complain at the high level of fees charged by venture and invest-ment capitalists, the raising of equity capital has significant attractions over loans: it cannot be withdrawn, and is not affected by interest rate movements, for Recently, this role has switched

increasingly towards "survival capital." As the banks draw in their horns, and some of the smaller venture capitalists take fright, 3i has found itself in a position to step in providing a more stable form of finance. The role of equity investors in tiding companies over in hard times and providing the company with a sound capital base is being recognised, and will continue to

hard work he carried out, possibly paying himself only a modest salary:



# **FINANCIAL TIMES** COMPANIES & MARKETS

Tuesday June 18 1991



#### INSIDE

#### Swift turns its back on fund managers



which groups 1,900 of the world's top banks, has voted to bar fund managers from joining its global computer net-work for payments and financial messages. Membership of the Swift network would have

ers' administration for settling securities bargains. The decision was "very disappointing for the securities industry as a whole," said Mr. David Batten of S G Warburg. Being kept out will force fund managers to look at other finan-cial networks which could lead to them bypassing the banks.

#### Hard times in Nordic forests

Two leading Nordic forest products groups yesterday announced poor results for the first four months of the year. MoDo — Sweden's third largest pulp and paper company — saw profits tall 24 per cent due to lower pulp prices and Kymmene - Finland's second largest for-est group - reported a reduced loss because of continued lower world demand and increasing oversupply.

#### Volex profit falls by 41%



Pre-tax profits at Volex Group, the UK manufacturer of wiring systems and electrical accessories, fell 41 per cent in the year to March 31 due to the weakness of the UK's housebuilding and car markets. Chairman Peter Frost (left) said the group started at low activity levels and

ther as the year progressed. "The present trading conditions are anticipated to continue well into the current year," he said.

#### No buyer for island telecom

Puerto Rico has been forced to postpone plans to sell the island's telephone system. The \$3bn divestment would have set a US corporate record but initial enthusiasm for the sale among 20 international companies has waned in the past 12 months. Unable to find a buyer, the island's administration may need to draft new legislation aftering terms of the sales.

...

7.51

. .

eneur



COCOA BUY NOW WHILE STOCKS LAST

As cocoa prices hit their lowest level in years, Brazil's cocoa orchards are in a sorry state. Cocoa farmers have decided the plant's wood is worth more than the fruit it produces and are cutting down the plants. Many absentee planta-tion owners, who for years neglected their land, face a plague of crop diseases and infes-tations. Victoria Griffith reports.

#### **Market Statistics**

Base lending rates

Benchmark Govt boods

FT-A lodices

FT int bond svce

FT int bond svce

FT int bond svce

Francial futures

Froreign exchanges

London tradit options

22 London tradit options

24 Managed fund service

28 Morey markets

36 World commodity prices

29 World commodity prices

29 World commodity prices

20 World stock mixt indices.

Companies in this issue

Electronic Data First City Financial Gardner (DC)

25 Litton 26 M-Net 20 Magna Int'l 26 MoOo 21 Multi-Purpose 20 Proteus 21 Reject Shop 25 Robt Jones invests usardner (UC) 28 Robt Jones invests
H.J. Helnz 21 Rock
Harrison Industries 26 Royal Bank Scotland
Hoskyns 28 Seton Healthcare
Intil Comminctin & Dais 28 TA Enterprise
Jarden Morgan 21 Whitbread

Chief price changes yesterday Here York prices at 12.30.

# O THE FINANCIAL TIMES LIMITED 1991 Pirelli moves for Continental stake

By Haig Simonian in Milan

PIRKLLI, the Italian tyres and cables group locked in a lengthy takeover battle for Continental its German counterpart, has negotiated a call option over a key 5 per cent stake in the Ger man company.

Sopaf, a small Milan-based merchant bank, said it sold its 5 per cent holding in Continental, bought for L993bn (\$74.6m) last year, to Elektrowatt, a Swiss industrial holding company controlled by Credit Suisse.

Pirelli, which arranged the sale

**BET** falls

33% to

profit of

By David Owen in London BET, the business services conglomerate which is one of the UK's largest private-sector employers, has reported a 33 per cent decline to £217m in annual profits — its first such reverse for

The group blamed the down-turn on rising interest costs and

recessionary conditions in its principal markets. The result

compared with pre-tax profits of 5322.3m recorded in the year to

March 31 1990.

As expected, the company recommended maintaining the final dividend at 9p, giving a marginally increased total payment of 13.25p (13p).

"We view the dividend as a tangible return to our shareholders and part of the total return.

ers and part of the total return on the stock," said Mr John Clark who succeeded Mr Nicholas Wills as chief executive on April 2. Mr Clark said that Mr Wills,

now chairman, had become non-executive with effect from April

£217m

to Elektrowatt, also agreed on the call option with the Swiss company to buy back the shares at any time over the next three years. Pirelli said it had been informed of Sopar's decision to dispose of its investment, and took steps "to find a solution that was convenient for all". The news of the sale and repur-chase deal will reinforce speculation, denied by the companies concerned, that in buying its

or within an agreed framework in which Pirelli would buy back the shares when necessary.

German opponents of the merger may also take the sale as an indication that shareholder support for Pirelli's plans is crumbling. When Pirelli launched the proposed merger with Continental last September, it claimed the scheme had the backing of the owners of 51 per cent of Continental's share capi-

news of Pirelli's role in the Sopaf sale, and the suspicion of a con-cert party it will provoke, will have on the takeover. Under Mr Horst Urban, Continental's for-mer chief executive, the German company had at one stage sought to prove, or at least imply, the existence of a concert party between Pirelli and its disclosed supporters.

However, the company's posi-tion regarding the deal and such points of principle is now less clear. After Mr Urban's replace-

ment in May, Continental's supervisory board instructed its directors to pursue discussions with Pirelli, "without hostile intentions, proposals or pre-con-ditions", according to the Ger-

The latest moves, which come nine months to the day after the Pirelli's plan to buy Continental was officially disclosed, take place against a background of silence from the two companies as to how those talks are proceed

# Viag bid for can company approved

VIAG, the German industrial holding company, yesterday received approval from the Euro-pean Commission to go ahead with its acquisition of the European operations of the US group Continental Can, creating Europe's second largest packag-

ing company.

The acquisition should double the annual turnover of Viag's packaging operations to DM6bn (\$3.37bn) Shares in Viag jumped DM13.30 to DM376.5 in Frankfurt yesterday when Brussels announced it was waving the bid

through. Viag said yesterday that it had never doubted that Brussels would approve the takeover, which was investigated automat-

which was investigated automatically under EC merger control regulations.

Viag will not reveal the purchase price for Continental Can Europe (CCE), but Mr Georg Obermeier, Viag financial director, said earlier this month that it was less than the \$1bn offered by Ball Corporation of the US last year. Ball pulled out of that deal because of financing prob-

CCE said discussions about the future of the enlarged group should end towards the end of this month or beginning of July, after shareholder meetings of

arter snareholder meetings of CCE's principal subsidiaries. Those subsidiaries include Schmalbach-Lubeca, the German can company in which CCE has a 64 per cent stake. Viag said CCE companies would retain a large measure of management indemeasure or management inde-pendence under its ownership, but refused to comment on spec-ulation that part of the Schmal-bach-Lubeca holding might be sold to help finance the deal.
"More details will be given in
one or two months," said the
company yesterday. Viag raised
DM600m last month with a onefor-eight rights issue at DM285 a

Schmalbach-Lubeca, which will hold a shareholder meeting on June 26, accounts for about half of CCE's DM3bn annual turnover, and increased its profits from DM40m to DM63m in 1990. Viag made DM835m before DM19.5bn.

Viag, privatised three years ago, has six main areas of opera-tion — energy, aluminium, chemicals, trade and services, ceramics and glass. Mr Alfred Pfeiffer, chalrman, said earlier this month that CCE would fit well with Viag's strategy of con-centrating on ecologically-sound packaging materials such as alu-minium, glass and tin, which can be recycled.



RET's John Clark: unveiling a steep profits decline with admirable composure

# Chapter One: cutting costs

t was a brisk and businesslike John Clark who stepped
out under the City of Loudon's gaze after his first "75 glorious days" at the helm of BET.
He showed a tendency to pepper his sentences with American
business-school jargon. And he
could not refrain from repeatedly misnaming the group's now

The rise in interest costs was from £42.4m to £79.5m, reflecting delays in disposing of non-core businesses particularly in the first half of the year.

By the year-end, net borrowings had been chopped from a September peak of £617m to £425m, putting gearing at 85.7 per cent. These figures count BET's disposed of double-glazing sub-\$500m of US auction market preference shares (Amps) as equity. But for a chief executive unveilrence shares (Amps) as equity.
The post-year-end sale of Riffa,
the waste disposal business, to
Severn Trent for £212m will have
trimmed both debt and gearing ing a steep fall in annual profits, his composure was admirable – even if his direct responsibility was limited since he has only been in situ since the start of the further to £213m and 35 per cent

respectively.
Second-half capital expenditure was cut to £44m, against £140m in the first six months and £265m in 1989/90. "B&T invested in good assets but it is not something you need to do every year," Mr Clark

company said. There was an adverse currency swing of about

Turnover edged ahead to 22.8bn (£2.7bn), but earnings per share slid by 35 per cent to 18.5p

David Owen talks to John Clark, the new man at BET's helm

financial year. Anyone expecting to hear Mr Clark's first words on the busi-

ness services group's new strate-gic direction was disappointed. Formulating his long-term views is a task he will turn to only during his second 90-day stint, Operating profit was down by 18 per cent at £296m. "At the operating level, all businesses have been affected to some degree by the recession, especially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricially in the second half," the operational review. "The pricial pricial profit was down by the says. The first three months are being devoted "14 hours a day six and a half days a week" to annual business plans and an operation of the pricial pricial profit was down by the says. The first three months are being devoted "14 hours a day six and a half days a week" to annual business plans and an operation of the pricial prin pricial pricial pricial pricial pricial pricial pricial pricial to annual outmess plans and an operational review. "The primary emphasis has been on organisation and cost reduction," he says. His horizons have yet to extend in earnest beyond the current financial year.

This is largely a reflection of RET's difficult circumstances. (28.5p).

After rising initially, the shares closed down 7p at 174p — still well ahead of their February low point of 67p.

Lex. Page 18

Second-half profits were upwn well over 50 per cent from 1989/ changed appropriately. "We are trying to set up a situation where there is a lot more presume the economy until the first quarter of calendar 1992. The cost so that they will perform," he Second-half profits were down

base must fall for an acceptable says. This does not mean that current-year result. "I am a great salespeople will be encouraged to

current-year result. "I am a great believer in getting cost leader-ship... The ability to take cost out is the key to making money in this financial year for any business," he says. Perhaps fortunately for BET's long-term health, he has identi-fied areas of fat to trim. "Any time vou so through a develop-

time you go through a develop-ment phase in which acquisitive growth takes place - and the group made 53 acquisitions the year before last — there is scope for improvement," he says. In operational terms, this means that John Clark's BET is going to have a flatter manage ment structure than the one which evolved under Mr Nicho-

las Wills in the 1980s. "In the 1980s growth phase, BET was run more like a holding company with a lot of delegation to the operating units," he says. "There was more concentration on acquisitions than operations. I decided we had to concentrate

on management systems focus-ing strongly on performance."

Management incentives will be changed appropriately. "We are trying to set up a situation where there is a lot more pres-sure on managers to take action

operating margins. "We are trying to get rid of Vocas: volume
covers all sins," he says.

There is also progress to be
made, Mr Clark believes, in
retionalizing some of PFF". rationalising some of BET's diverse units. In the struggling

UK personnel services operation, the Atlas and HMS networks have already been amalgamated and more than a third of

But the hard truth is that BET

must do more than just tread water if it is to stage a rapid and convincing recovery.

Excluding acquisitions and disposals, BET suffered a net

outflow of funds of £94.1m in the year recently ended. To avoid more forced sales, Mr Clark must make BET cash generative soon. chase volume at the expense of "As much as humanly possible, we want to put the money from the £212m Biffa sale in the bank and turn that £94.1m positive," he says.

Though the waste disposal unit contributed £17.8m of prof-its last year, Mr Clark empha-sises that he "recommended the sale". "Biffa was a substantial net cash user," he says. "I think it is a very good business but its margins on the collection side were down a bit."

# WITH OVER FORTY YEARS IN FOREIGN EXCHANGE, IT'S **OUR COMMON**

When the foreign exchange markets reopened in 1951 we were one of the first to arrive on the scene. Over forty years later we're still one of the leading operators in the world's foreign exchange markets, with a reputation based on personal service, authority and continuity.

CURRENCY.

If you would like to meet us in order to find out what we can offer, contact us at the address below.

#### Midland Montagu Treasury Sales.

ATRICES TEL. 30: 364 7410 DÜSSELDORF TEL: 49211 91053 RELENNET TEL: 338 060 1366 ESTANBUL TEL: 498 1307613 JEETEYTEL: 0534 00674 MADRIO TEL: 341 431 0613 MILAN TEL: 392 62041 MEW TORK TEL: 1313 949 7200 DELO TEL: 472 831420 PARRI TEL: 331 45 01 53 77 ETOCKHOLM TEL: 468 0769210 TORKO TEL: 413,3284 1861

10, LOWER THAMES STREET, LONDON ECOR GAE, TEL: 071-260 0600.

<sub>оф</sub> дила спилий из свиме вилас сильский трума области. В перепейме спилий спилий виде в учасном спилий области Упрости делегу спилий виденту спилий виденту спилий виденту спилий виденту виденту виденту виденту спилий виденту в

# Stora plan to sell German unit may raise DM1.5bn

STORA, Europe's largest pulp and paper concern, said yester-day it hoped to complete by the beginning of July the sale of the non-forestry operations of Feld-mildle Nobel, the German con-glomerate it acquired a year

ago.
"We are in serious discussions with several interested companies," said Mr Sven von Holst, Stora information director. He denied that Stora had reached a preliminary agreement with Metaligesellschaft, the German engineering group, and declined to confirm that it was

Stora is selling FeNo's engineering operations to help finance its DM4bn (\$2.3bn) acquisition of the German concern, which it bought for its pulp and

It is believed to be seeking a German buyer in compliance with the wishes of the German

authorities. The FeNo engineering operations, which are being sold as one unit, include Buderus, which makes building materials, heating and kitchen equipment

one of the companies negotiating with Stora.

Stora is selling FeNo's engineering operations to help neering operations to help and the technical products division of Feldmühle. Analysts believe the purchase

price could reach DM1.5bn. FeNo reported a profit after financial items of DM530m on sales of DM9.4bn in 1990. Metallgesellschaft yesterday

announced a rights issue, offer-ing shareholders three new shares for every 22 they hold, Reuter reports. The company said 1.2m new shares would be issued.

# Consortium bids for Fairfax assets

which once headed Australia's oldest newspaper empire, is attempting to regain control of the media group.

Mr John B Fairfax has joined

forces with Mr Tony O'Reilly, chairman of the US-based Heinz food group, to put fogether a bid for the main assets of the 150-year-old John Fairfax Group.

Mr O'Reilly, whose family interests control Independent interests control Independent interests a frabing and Aug. Newspapers in freland and Aus-

tralian Provincial Newspapers

(APN) in Australia, has emerged December with debts of A\$1.7bn

son Equity, a venture capital company controlled by Mr Chris Corrigan, which has the support of Mr Chris Anderson, a former chief executive of Fairfax.

Fairfax, which publishes the Sydney Morning Herald. The (Melbourne) Age, the Australian Financial Review and several uncle, who jointly received provincial newspapers, was put into receivership by its banks in Full story, Page 21

as a front runner in the fight for Fairfex.

The other front runner is Jamison Equity, a venture capital takeover by Mr Warwick Fairfex, who bought out the rest of the family and minority shareholders

> The main beneficiaries of Mr Warwick Fairfax's takeover were Mr John B Fairfax, his cousin, and Sir Vincent Pairfax, his

for A\$2.1bn.

# BAA down on recession and impact of Gulf war

By Paul Betts, Aerospace Correspondent

Airports Authority, yesterday reported a 3.5 per cent drop in pre-tax profits to £247m (\$395.2m) for the financial year ended last March, against £256m the previous year, due to larger than expected provisions on its property interests, the impact of the Gulf war and the economic recession on its airports business.

Sir Norman Payne, BAA's chairman, also announced he would be retiring at the end of July. Mr Brian Smith, former chairman of MB Group and a director of Berisford International. Cable and Wireless and Davy Corporation, will succeed Sir Norman as non-executive chairman of BAA.

As chief executive of the airports group, Sir John Egan, the former head of Jaguar, will be responsible for the overall day-to-day running and strat-

Despite the difficult airline industry environment, BAA's core airports business continued to perform strongly last year. Excluding the property provisions of the company's Lynton subsidiary, which totalled £36.7m last year, pretax profits rose 11 per cent to £284m, although the Gulf con-

BAA, the former British £2m a week in lost revenues during the war. Sir Norman said the underly-

ing trend for passenger traffic was improving. After being 14 per cent down in April, against April last year, passenger volume at BAA airports was 7 per cent lower in May. He said BAA was now expecting passenger growth to average around 4 per cent a year during the next ten years, with the number of passengers using BAA airports doubling by the

turn of the century.
Sir John Egan, the chief executive, said the group intended to pursue its strategy of developing its retailing operations in the UK and overseas. At Heathrow airport, BAA is negotiating with Marks and Spencer over the opening of a 50,000 sq ft store in terminal three.

Sir John said there were advanced negotiations between BAA and Pittsburg for the UK group to operate a retailing concession at Pittsburg airport. Sir John emphasised he intended to focus the group's attention on its core airports business. This is expected to see the eventual sale of about £100m-worth of non-airport property assets, including two hotels in Amsterdam and Gent. Lex, Page 18

To improve productivity, BAA has recently cut 400 jobs,

or 4 per cent of its workforce.
The Mergers and Monopolies
Commission (MMC) has just
completed a review of the company's three London airports. The review, which is expected to be published in the next few weeks, will recommend a new pricing formula for BAA air-port landing charges. The new formula will then be established by the Civil Aviation Authority.

Regulators have recently adopted a tougher stance on privatised service companies and utilities. But BAA has argued the new formula should take into account the loss of revenue from airports as a result of the European Commission's proposal to abolish duty free sales in the EC. European duty free sales currently account for about £55m of

BAA's annual revenues. BAA is also facing heavy. long-term investments, includ-ing the construction of a new terminal at Heathrow airport which is expected to involve about £2bn in overall capital expenditures. Sir John said the plan envisaged the opening of the first phase of terminal five

# **Boddington fails in Devenish bid**

By Roland Rudd in London

DEVENISH, the UK west country brewer, yesterday won its fight to remain independent ply agreement with Whitbread, after the Takeover Panel rejected Boddington's complaints of irregularities in the vote on its bid. Boddington, the pubs and

hotel group, received acceptances representing 45.8 per cent of Devenish's shares, just under the majority required. It formally announced that its £120m (\$196m) offer had lapsed. The offer closed at 1pm on Saturday. On Saturday, the Takeover Panel froze the bid

while it looked into the irregu-larities alleged by Boddington. On Monday, it dismissed them, and allowed the vote to take

negotiated during the takeover battle. The seven-year agree-ment takes effect on Friday. Whitbread will supply Devenish's 370 pubs with a large range of beers — including Devenish's own Newquay Steam and the Boddington's broad which it brows

brand, which it brews.
Devenish is holding separate talks with Whitbread about the sale of its brewery in Redruth, Cornwall, which lost £1.7m last year. Mr Michael Cannon, Devenish's chairman, said he would close it by September if a buyer could not be found.

Despite Devenish's victory, stock market analysts say the With Boddington's bid defeated. Devenish's management won shareholder support group could still be vulnerable if it does not live up to its profit forecast for the current

year to September of £11.3m. (\$18.53m) or £15.9m if the sale of the brewery and wholesaling

operations goes through.
Mr Cannon will have to cope with two large shareholders: Boddington, which built up a 16.9 per cent shareholding in the course of the bid; and Whitbread investment Company (WIC), 49.9 per cent owned by Whitbread, which owns 15 per cent. Boddington says it has yet to decide what to do with its stake.

Devenish's shares fell 7p yes-terday, to close at 197p. Boddington's shares rose 6p to 152p.
Mr Cannon is writing to Mr
Peter Lilley, industry secretary, asking him for a change
in the law requiring companies
launching unsuccessful bids to pay the costs incurred in the battle.

# A corporate collapse deals a blow to Italy. The collapse of Federconfor BNA, and is now seen as a could probably have been the first rheal has be

he collapse of Federcon-sorzi, the Italian agricul-tural services group which was put into voluntary liquidation with debts of L4,200bn (\$3.2bn) last week, has ended one chapter in a singularly Italian saga. But the final chapter is by no means

The decision by leading domestic banks to accept the rescue plan put forward by farm minister Mr Giovanni Goria has now created a way out of the crisis. But the affair has dealt a lingering blow to Italy's credibility as an international borrower and raised doubts about why the crisis

arose in the first place. It also represents a further setback for Banca Nazionale del Lavoro, the state-owned bank still reeling from the \$3bn scandal over unauthorised Iraqi letters of credit. The BNL group holds 50 per cent of Agrifactoring, a farm-

ers' factoring group 20 per cent-owned by Federconsorzi, and which is itself in difficulties following the crisis. Creditors have called on

BNL to honour Agrifactoring's own debts of L900bn (\$676.2m) to L1,000bn. However, the bank, which also provides Agrifactoring's management, says Agrifactoring's affairs are directly linked to Federconso zi's fate, and therefore it is not responsible. The finances of BNL are set to suffer in that it is the biggest single creditor - with L230bn to Federconsorzi and L200bn to Agrifactoring

outstanding.
The fact that one of Federconsorzi's main assets is 13.6 per cent in Banca Nazionale dell'Agricoltura (BNA), one of Italy's few remaining nationwide private-sector banks, may also have wider consequences. In 1989, Credito Italiano, the big public-sector bank, launched an abortive takeover

prime taker for the stake.
Although the takeover of Federconsorzi by government administrators on May 17 was ostensibly a financial decision thought.
According to a "worst case" in response to reports of imminent insolvency, it was as

Such factors have fed specu-

Christian Democrat party.

Matters have changed from
the days when the farm lobby could guarantee 60 to 70 deputles and even dictate who should be farm minister, but farmers remain a potent force

much a political step. For decades, Federconsorzi

has provided financial services

to farmers, one of the most solid electoral bases for Italy's

The finances of the group, which is also very active in the Italian food processing business, are not as dire as first

calculation by Mr Gian Marco Petrelli, director general for Barclays in Italy, creditors stand to receive around 90 per

lation about the reasons why Mr Goria, a left-wing Christian Democrat who became farm minister in April, chose to step in when he did.

money back and cite clauses in their loan, documentation. allowing for repayment in the event of default. While their position recalls similar cases of foreign banks, starved of blue-chip customers, lending-inwisely in unfamiliar circum-stances, the foreigners this

time have a point.
They argue that Federcon

hence is guaranteed by the Treasury Admittedly, the com-mitment does not exist on paper. But the impression given - some bankers say cui-

sorzi has generally been per-ceived as a state organ, and

As a former prime minister Haig Simonian says the Federconsorzi affair may have undermined the country's credibility as an international borrower and raised doubts about why the crisis arose

in Christian Democratic poliand member of the Christian tics and can still muster up an important quota of safe seats. Democrats' left wing, some have attributed Mr Goria's The cosy relationship between farmers, the party and Federconsorzi is the major readecision as a scheme by left wingers to embarrass the cen-tre-right and gain influence at its expense. Others place responsibility with the Social-ists, who may have gained electoral capital in embarrassson why a clean-up did not come earlier. Federconsorzi's finances deteriorated steadily in the 1950s and 1960s as a result of support for provincial farming consortia, which were also in financial difficulties, the granting of credits on political grounds and blatant overing the Christian Democrats on such secure ground in order to gain greater representation in Italian agricultural affairs.

staffing
Diversification did not help.
Mr Guido Rosa, the head of
Société Générale in Italy and hatever its origins, the crisis has already caused more damage than expected. Federconsorzi's appetite for cash made it turn not only to domestic credits, provided partly by foreign chairman of the country's for-eign bankers' association, says Federconsorzi's investments are not as bad as first thought. banks in Italy, but also to the But shifting away from non-Euromarkets.

core activities soaked up Two syndicated loans of liquidity.

Doubts about the timing of Ecu200m each, led by Japan's Sumitomo and Mitsubishi the affair have been bolstered by bankers' widespread view that Federconsorzi's finances banks in 1988 and 1990 respectively, provided additional funds, although Ecullim of

tivated - by Federconsorzi was that it was a public-sector agency. Not only did it act on behalf of the farm ministry, it even has a L470bn-L480bn unpaid credit to the agricultural ministry for agency ser-vices on its books.

While foreign bankers have emphasised their moral case, the threat that the affair will damage Italy's overall standing as an international borrower provides a stronger weapon. The threats carry some weight. Italians are among the most active Euromarket bor-

rowers, and bankers say a number of syndications have already been postponed. Japa-nese banks, which are proba-bly most heavily exposed owing to the small numbers in the Mitsubishi and Sumitomo syndicates, are believed to be

particularly bitter.
There is no doubt that the affair been bandled poorly on the Italian side. Only now, a month after the administrators sort's finances starting to be untangled. Many questions

ء ۾ د

remain unanswered. Nor is the group out of the woods. Leading domestic, banks have accepted the Gorla plan in principle, opening the way for the creation of a new Federconsors! But much remains to be done. Moreover.

remains to be done. Moreover, the voluntary liquidation that be approved by all the creditors. The alternative, a courtaupervised winding down promises to be slow and costing moral case and claim that their position is backed by the Benk of Italy. Moreover, with foreign hast creditors estimated to bank creditors estimated to account for around 10-15 per-cent of the L4,288hn owing a settlement would not be that

But their chances of receiving preferential treatment over domestic banks look slim. On. Friday, Mr Goria called on the foreign banks to play ball. "If they work in Italy, they need to accept our rules". he said. Meanwhile, Mr Lamberto Diff. the director governl of the centhe director general of the cen-tral bank, used a trip to Japan last week to sooth tempers

A direct payoff seems point-cally impossible, as some for-eign bankers realise. Some would be content with a reacheduling, with an explicit state guarantee and repayment

over the next 35 years. Others have clutched at the unlikely straw, raised last week that a group of around 20 Italian banks might pay off all the smaller bank creditors. With the Federconsorzi affair already having absorbed so much ingenuity in political and financial circles, the next lew weeks will show whether such fruitful minds will manage to devise a suitably creative, and face-saving, exit for

# Fall in pulp prices hits MoDo

By John Burton in Stockholm

MODO, Sweden's third largest pulp and paper company, yes-terday reported that profits after financial items during the first four months of this year fell by 24 per cent to SKr433m (\$67.2m) due to lower

pulp prices.

Mr Bernt Lof, MoDo president, said there is a risk of "considerably" worse results for the rest of the year.

The company plans to shed 600 jobs this year and next in a rationalisation, which also includes closing an experimen-tal pulp mill at Ornskoldsvik. A loss of SKr63m for pulp operations, reflecting increased competition and a

the fine paper division, its largest business area, jumped by 112 per cent to SKr159m, benefiting from the low pulp

Operating profits for the Iggesund paperboard division also climbed by 36 per cent to weak dollar, mainly accounted for the fall in profits.

Other MoDo sectors fared better. Operating profits for

#### Kymmene slides into red

By Enrique Tessieri in Heisinki

KYMMENE, Finland's second largest forest group, reported a loss of FM39m (\$9.3m) before taxes in the first four months of 1991 compared with a profit of FM251m in the correspond-

ing period last year.

Kymmene blamed the weaker result on a slump in the global forest products market, which has caused severe oversupply problems

and reduced profitability. Export sales prices from costed magazine and uncoated fine paper, the group's main products, fell around 3 per cent compared with prices last

Consolidated turnover rose 2 per cent to FM4.3lbn from FM4.24bn, while operating profit dropped to FM225m from FM439m.

# A Strong Performance. Sales and Earnings up 25%.

With our attractive range of products in energy, environmental and process technology we achieved substantial growth in 1990:

- 25% increase in group sales (DM 1.5 billion)
- 25% rise in group net profit (DM 88 million)
- 28% surge in new orders (DM 1.7 billion) ■ 20% expansion in the workforce (7,560 employees).

We are optimistic that 1991 will be another successful year for our company and our shareholders. A 27% rise in incoming orders in the first five months of this year points to continued healthy growth. Our strong expansion is supported by a sound financial base, with an equity/capital ratio of 49%. Thus we are well equipped for the challenges and opportunities of the future.

Environmental technology accounts for roughly one third of our total sales. This includes our energy conservation systems and plants for industrial use and building technology. We are a market leader in these fields.

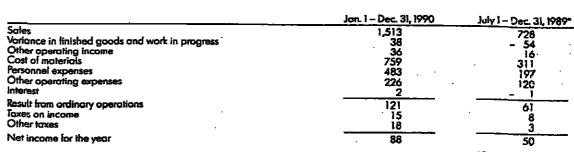
One example of GEA's innovative strength is ECOGAVO. This corrosion resistant all plastic heat exchanger provides optimal utilization of waste heat from flue gas desulfurization plants and large furnaces.

We operate worldwide in expanding markets with excellent growth prospects.

Consolidated balance sheet as of December 31, 1990, in million DM

Assets	per Dec. 31, 1990	per Dec. 31, 1989	equity and liabilities	per Dec. 31, 1990	per Dec. 31, 1989
Fixed assets	314	231	Capital subscribed	150	125
Inventories	193	174	Reserves and retained		
Accounts receivable	250	000	eamings	387	72
and other assets Cash on hand and	358	299	Equity	537	197
in banks, securities	220	55	Provisions	205	102
Current assets	771	528	Uabilities	343	183 379
	1,085	759		1,085	759

Consolidated profit and loss account for the business year 1990, in million DM



Our annual meeting will be held in Bochum on July 11, 1991. All shareholders are cordially invited to attend. We will be happy to send you our complete annual report upon request.



GEA AG · Postfach 10 08 30 · Dorstener Strasse 484 · D-W-4630 Bochum 1 · Germany · Telephone (234) 980-0

#### INTERNATIONAL COMPANIES AND FINANCE

# Belzbergs likely to dilute First City Financial stake

CANADA'S Belzberg family, once among the most feared North American corporate raiders, may dilute its holding in its flagship company as part of efforts to cope with a severe filancial crunch.

Mr Brent Belzberg, who has taken over from Sam, his unicle, as the family's chief spokesman, told the annual meeting of First City Financial in: Toronto yesterday that a planned debt restructuring was likely to dilute the family's stake in the company below

the existing 75 per cent.

The meeting was also told that Mr Sam Belzberg has relinquished his position as First City's chairman, although he will remain a director. "The

philosophy of the 90s just didn't suit his operating style," Mr Brent Belzberg said.

The company is trying to project a more conservative image under Brent Belzberg's leadership, winding down its arbitrage and securities activities to concentrate on its core activities of financial services and real estate development. It has sold C\$140m (US\$122.8m) of securities holdings this year.
First City has been squeezed
by its heavy debt load and by large losses on several invest-ments, including stakes in the British retail group Asda and the US floor-covering maker Armstrong World Industries, and by the depressed real estate market.

"The entire restructuring process is a difficult one, and the seriousness of the situation cannot be underestimated," Mr Beizberg said.

A proposal to restructure C250m of Swiss franc and dual currency bonds will be pres-ented to bondholders next month. The company is also awaiting a response on a pro-posed restructuring of US\$97m of high-yielding notes issued by a subsidiary. Mr Belzberg said First City,

Mr Beizberg sam First Cary, which incurred a C\$228m loss last year, would not return to profitability in 1991. He pledged to "take whatever reserves and whatever hits we need to clean up the balance sheet."

margins are increasing, and both bookings and backlog are running higher than a year ago

The company expects its industrial automation group to

benefit from the cuts.

In 1990, Litton had net income of \$178.8m on sales of \$5.16bn, against \$178.3m on sales of \$5.02bn. Earnings per

share rose to \$7.26 from \$7.05, reflecting fewer shares out-

# Litton forced to cut operations

division, which provides soft-ware-based systems for docu-ment imaging, inspection and process control.

Mr Alton Brann, president and chief operating officer, said these problems will not

substantially reverse once the

economy turns. It is right,

therefore, to stop our losses

ucis and services of the inte-grated automation division has

changed dramatically," Mr Braun added.

The outlook for the prod-

LITTON Industries, the Beverly Hills-based industrial and chileld services group, yes-terday said it planned to cut operations at its integrated automation division and take a \$100m charge against fourthquarter earnins

educe pershare earnings for the three months ending July 31 by about \$4.50. For the nine months ended April 30, Litton recorded earnings per share of

LORD THE THE STATE OF THE STATE

es intor

in the performance of Litton's industrial automation systems operations has been hit by the akness of the automotive

Litton said the US recession had compounded the problems at its integrated automation

sell 35% of

to sell a 35 per cent interest in one of its four operating groups, says Mr Frank Stronach, its founder and chairman.

The deal will be structured

along the lines of the link-up with Misschish of Japan, in which Magna sold 25 per cent of its interior parts manufac-

The company hopes to raise

a further C\$40m (US\$33m) by selling small subsidiaries and property, and expects to repay C\$103m of debt due by the year-and "without problems".

Magna had a brush with

bankruptcy two years ago fol-lowing expansion in North

America and a sally into

Europe during the 1960s. The North American recession and

slump in car sales brought the crisis to a head.

including writedowns.

It turned in a modest C\$5m

turing operation.

By Robert Gibbens

# Braun added. "We are closing down the inspection and process control product lines, whose performance turned out to be disappointing. The remaining document imaging business has a much narrower scope, serving standing after a share repur-chase programme. Magna set to | Heinz advances 12.6%

By Karen Zagor

one business H.J. HEINZ, the US food group, turned in a 12.6 per cent increase in 1991 net income, reflecting currency move-ments, higher prices and vol-ume and acquisitions. Sales for MAGNA International, Canada's biggest independent car parts maker, is negotiating the period advanced 9.2 per

Mr Anthony O'Reilly, chairmr Anthony O'Really, chairman and chief executive, said the company's product and geographic diversity "continue to provide us with brand leadership and financial strength that will enable us to continue our success in this intensely competitive market".

For the three months ended May 1, the Pittsburgh, Pennsyl-vania based company lifted net income to \$156.1m, or 58 cents a share, up 15.3 per cent from earnings of \$135.3m, or 51 cents, in the 1990 fourth quarter. Sales improved 8.5 per cent

to \$1.84bn from \$1.69bn.
Operating income in the last
three months of fiscal 1991
grew 12.4 per cent to \$275.5m.
Selling, general and administrative expenses rose 10.2 per cent in the quarter to \$443.6m from \$402.6m. Pre-tax income was up 13 per cent to \$240.7m.

# M-Net sharply higher

By Philip Gawith in Johannesburg

company, out-performed its prospectus forecasts to record a sharp increase in earnings in the year to end-March.

Turnover rose 3L5 per cent to R426.3m (\$152.2m) and oper-

profit in the nine months ended April 30, after posting a C\$224m loss for fiscal 1990, The group needs annual out-put of 3m cars to be modestly

ating profit increased 54 per cent to R44.8m. Earnings rose 170 per cent to 30.3 cents per share, while the dividend rose
84 per cent to 7 cents.
The company's performance
is reflected in its share price

M-NET, the recently listed level of 400 cents from 120 south African cable television cents when the share was

gran, recorded lower earnings in the year to end-February, following increased competi-tion in world markets. Turnover rose 4.4 per cent to R200.7m (\$71.6m) from R192.3m, but operating income was 10.5

# Puerto Rico puts a \$3bn telecom sell-off on hold

Puerto Rico has been forced to postpone plans to sell the island's telephone system. The divestment firm, the other \$15n would rould have set a US corporate record as the the largest sale since that of Courail in 1987. When the sale was announced just over a year ago, government officials said more than 20 companies were lining up to buy. However, the

nitial enthusiasm waned. Mr Rafael Hernandez Colon, governor of the US Caribbean possession, has cancelled the sale, saying the administration could not get the price it was

The government was offer-ing the Puerto Rico Telephone Authority and its substillaries the Communications Authority and Telefonica Larga Distancia, which han dles long-distance services -

That price would have easily topped the \$1.65bn paid when Conrail was sold in 1987. From the list of those said to have been interested, only Bell-south and GPE, both of the US, persisted, and they were reported to be offering less than the government wanted.

The sale by the administra-

tion of Mr Rafael Hernandez Colon, Puerto Rico's governor, was aimed at raising money for public expenditure. Mr Hernandez Colon, in an earlier term, was behind the government's acquisition of the telephone company in 1974 from FIT of the US for \$165m.

trust funds set up to finance and education.

According to the Govern faces having to return to the ment Development Bank of legislature to ask that the laws

infrastructural development hard to find

have covered the company's outstanding debts, of \$950m, and all fees incurred in the

The Puerto Rico Telephone Authority is the 14th largest in the US, with operating revenues of \$591.6m in 1989. Company officials put its essets at \$1.57bn at the end of 1989, and say average annual earnings

Canute James reports on a government embarrassed by its failure to lure investors to a February with unions represtate monopoly

It has a monopoly on telephone services in Puerto Rico, with room to expand basic services. The system has 28 acce lines per 100 people, against the US average of 41 lines: Despite this, potential pur-chasers balked at the asking price, particularly because the

debt is to be assumed by the The failure to sell the company for \$3bn has embarras company in 1974 from FIT of the government. It had little the US for \$165 m.

The sale would have given because the price was legistrust funds set up to finance that purchasers would not be

repealed. There is yet no indi-cation if he will ask for new

Other conditions of the sale may have to be changed: Concessions to local interests dampened the enthusiasm of prospective purchasers. The island's administration under-took to bind the new owner to a three-year freeze on tele-

phone rates.

• To mollify organised labour and to win its support for the divestment, the government also said the new owners would have been told there should be no lay-offs in the

first three years.

• Trade unious, which have been, in the main, opposed to the sale, threatened to strike if senting the company's workers will add \$57m to the wage bill

over the next three years. Puerto Rican officials consider it an unfortunate coinci-dence that other telephone and were being divested in South

To compound the problems of Puerto Rico's administration, federal regulations have ed the possible involvement of some potential pur-chasers. Puerto Rico has to observe federal laws restricting cent ceiling on ownership of a telecommunications communy.

There are also limits on the involvement of some US companies. The Bell companies can buy the Puerto Rican company. but not its long-distance subfacturing atms.

#### leads battle for Fairfax By Terry Hall

media group By Kevin Brown



Warwick Fairfax: bought out the remaining family

AUSTRALIA'S Fairfax media group, driven into receivership by one branch of the Fairfax family, is being stalked by a rival branch, which wants to resuscitate the family's 150a smaller market with limited growth opportunities."

Mr Brann said the outlook and performance from Litton's continuing industrial automa-tion activities were improving. Our cost cutting measures are showing initial results, our

year connection with the newspapers it once owned. Fairfax, which publishes the Sydney Morning Herald, The (Melbourne) Age, the Austra-lian Financial Review and several provincial newspapers, was put into receivership by its banks in December, with debts of A\$1.7bn (US\$1.3bn).

The banks moved after the company failed to generate sufficient cash flow to service debts built up during a 1987 takeover by Mr Warwick Fairfax, then 26, who bought out the rest of the family and minority characterists. minority shareholders for A\$2.1ba

The main beneficiaries of the takeover were Sir Vincent Pairfax, Warwick's uncle, and Mr John B. Fairfax, his cousin, who jointly received A\$306m for their holdings in the

Mr John B. Fahrfax used much of the proceeds to acquire a chain of rural news-papers held through Marinya Media and Bural Press, both family companies, and has

family companies, and has subsequently been approached for support by several potential purchasers of Fairfax.

Initially, he indicated he was interested only in prising away from Fairfax some of its more attractive provincial newspapers. But Mr Fairfax has joined a consortium being put together by Mr Tony O'Reilly, the hish chairnam of the US-based Heinz food group, to bid for the whole of Fairfax.

Mr O'Reilly, whose family interests control Independent Newspapers in Ireland and Australian Provincial Newspa-pers (APN) in Australia, has emerged as the front runner in the battle for Fairfax, largely because of his reputation as a strong manager. His bid will be strengthened by the deal with Mr Fairfax, who was regarded as a successful denuty chairman of the group before the 1987 takeover Mr Fairfax said he had joined the O'Reilly consortium because the successful bidder for Fairfax should have empa-

thy for the group's heritage and the experience to guide it through a difficult period. Mr Fairfax said Mr O'Reilly's record showed "he fulfils the necessary standards we set ourselves, which have been a hallmark of the . . . Fairfax company for more than 150

years".
The deal between Mr Fairfax and Mr O'Reilly is believed to provide for Marinya Media to take up to 15 per cent of the restructured Fairfax group. Mr Fairfax would join the board

as an executive director.

Mr O'Reilly is believed to be seeking a stake of up to 25 per cent in the restructured group, which might breach Austra-lia's 15 per cent limit on for-eign holdings in media groups. He was allowed to acquire APN from Mr Rupert Mur-doch's News Corporation for doch's News Corporation for A\$135m after structuring the deal so that only 15 per cent was held directly through Independent Newspapers. The remaining 85 per cent is held by a trust benefiting his Aus-tration children.

It is unclear if the Labor government would allow such

government would allow such a deal in relation to the flag-ship publications of the Fair-fax group, which are widely regarded as national symbols. The other front runner is Jamison Equity, a company controlled by Mr Chris Corrigan, which has the support of Mr Chris Anderson, a for-

mer chief executive of the

Fairfax group. Several other parties have indicated an interest, includ-ing a Melbourne-based consortium represented by Macquarie Bunk; Heilman and Priedman of the US; Mr Kerry Packer, proprietor of the Australian Consolidated Press

television and magazine group; and Pearson, the UK group which owns the Finan-cial Times.

Several of the potential pur-chasers face regulatory difficulties. Mr O'Reilly's success in attracting the support of Mr Fairfax increases the likeli-

# Consortium NZ property group moves into red with NZ\$40m loss

ROBT JONES investments, the Wellington-based international property group, yesterday reported a loss of NZ\$40m (US\$23.5m) for the year to March 31 after wiping more than NZ\$325m or about 35 per cent off shareholders' funds to bring its property values into line with depressed building and share prices. The write-offs include NZ\$55.8m in extraordinary losses on properties in the US and Australia. The loss com-pares with a NZ\$30.8m profit

last year and is the first time the company has shown a loss since listing in 1983.

erty rental activities was a NZ\$19.02m profit, up 45 per cent on 1990.

cent to NZ\$127.2m. Extraordinary losses totalled These included a NZ\$28.6m write-off on the disposal of the group's North American prop-

related to the company's flag-ship building at 44 Wall Street which was handed back to its mortgagee last month in a deal which eased RJI's debt burden by about NZ\$75m. The other main extraordinary item was a NZ\$27.1m

The contribution from propwrite-down on the RJI commer-

cial division portfolio, a collection of buildings originally intended to be bought and sold for quick profits.

Mr David Moriarty, manag-ing director, said the NZ\$285m write-down in investment properties reflected a 16 per cent decline in New Zealand property values, a 19 per cent drop in Australia and a 27 per cent

fall in UK values.

RJI had cash of about NZ\$120m. The company's over-all debt position had been reduced by NZ\$61.7m. Term lia-

## NZ\$461m but current liabilities had soared NZ\$190m to

Stock market raid on Malaysian broker By Lim Slong Hoon in Kuala Lumpur

MULTI-Purpose, the Malaysian conglomerate, has launched a stock market raid on TA Enterprise, one of the country's leading — and most profitable — brokerage houses.

Magnum, the group's gaming and leisure subsidiary, had, by the end of last week, collected a 20 per cent shareholding at a cost.

M\$\frac{1}{2}\$ M\$\frac{1}{ cost of nearly M\$79m (US\$29.2m).

Mr Cheah Yoke Phow, group general manager for corporate development, said the stake was "meaningful" and he was unaware of any takeover offer. Local rules require Magnum to make a general offer if its stake reaches 33 per cent. The investment, he said, fitted into the group's strategy of focusing on finance, one of

its three core businesses.

The move by Multi-Purpose seemed to signal its first seemed to signal its first tentative steps to expand and recover its past prestige, after nearly two years of rationalisation, clearing its debts and shedding its plantation, trading and engineering businesses.

Magnum is the group's most lucrative holding, with a pre-tex profit of M\$100m in 1990-1991 compared with M\$55m a year agn.

M\$53m a year ago. Turnover for the year to last April rose 41 per cent to

Multi-Purpose has plans to separate and float the lottery from the property and finance businesses in Magnum. There has been no response

from TA Enterprise to Multi-Purpose's move; its two largest shareholders, chairman Mr Tiah Thee Kian and Ms Zainab Ahmad, hold 41 per cent and 27 per cent respectively.

For the half-year to last April, its operating margin was 51 per cent, with a M\$26m pre-tax profit on turnover of M\$51m, compared with M\$75m for all of the previous year.

TA Enterprise, in common the margin was a been provided to the previous year. with many other brokerages which wound up in the local stock market over recent months, sold 25 per cent of its M\$120m share capital last October in response to a government-enforced

restructuring of the stock broking industry.

#### Jarden Morgan warning to holders

By Terry Hall in Wellington

JARDEN MORGAN, the New Zealand investment bank which has become an NZ\$80m (US\$47m) cash box after an extensive international asset sales programme, yesterday issued a "don't sell" notice.

Directors warned sharehold ers they could soon face takeover action and should not sell until they received a formal offer. They said some people were making private approaches to buy big blocks of shares in a bid to acquire control before the offer. These

should be ignored, they said.
Jarden Morgan, the result of
a 1986 merger between Australian and New Zealand investment interests, acquired a worldwide portfolio of a bulworldwide portfolio of a bullion company and other assets in the UK, US, Canada and the east, following the takeover of Deak International. In 1988 the company said all its assets would be sold in the wake of poor results, following the 1987 stock market collapse.

Today, the company's

Today, the company's remaining assets include a 49 per cent share in Singapore brokers, Paul Morgan and Associates, a Queensland property company and a Wellington high-rise building.

Directors yesterday announced a loss of NZ\$28.5m

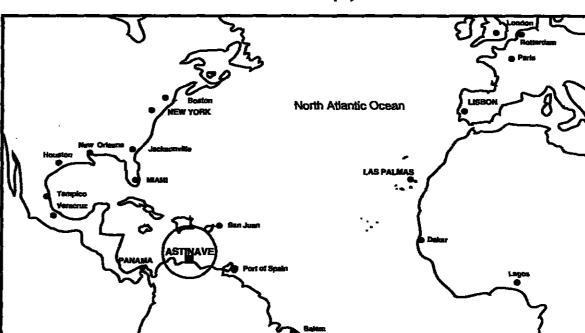
for the year to March 31. Jarden Morgan director, Mr John Benton, said last night a bid could be coming from exist-ing leading shareholders, although this would "not be entirely management-related."

#### Fondo de Inversiones de Venezuela **Privatisation Process**

#### Privatisation of Astilleros Navales Venezolanos SA **ASTINAVE**

The Fondo de Inversiones de Venezuela, a government agency acting on behalf of the State of Venezuela, invites all local and foreign investors interested in acquiring the State's shareholding (98.6%) in Astilleros Navales Venezolanos SA (the 'Shareholding' and 'Astinave' respectively) to submit in writing their application for participation in the international public tender process through which the total amount of the Shareholding shall be transferred. All expressions of interest should be addressed in writing to the Office of the Manager for Privatisation of the Fondo de Inversiones de Venezuela,

Astinave owns and operates a ship repair and construction yard which was completed in 1989 when Astinave began commercial operations. Astinave occupies an 18 hectare site at Los Taques, on the Paraguaná Peninsula, Falcón State (see map). It has a floating dock with a 4,000 tonne lifting capacity and possesses all the necessary equipment and services for ship repair, new building and general metal fabrication and construction work. Astinave has a total work force of 327 employees.



General Conditions Bids will be made on the basis of detailed terms and conditions to be made available to prequalified bidders. The

- conditions will include the following provisions: Bids shall be made for the full amount of the
- Up to 20% of the shares acquired must be made available for resale to Astinave's employees under terms and conditions to be advised to prequalified bidders.
- The State shall retain a Golden Share designed to prevent Astinave engaging in activities that would be against the national interest
- Offers must be made in cash for immediate value with no deferral of payment or financing from Venezuelan state-owned entities. No discount mechanism such as debt conversion will be applicable.
- The purchasers will undertake that Astinave will maintain ship repair and/or construction facilities. Bids may be presented by single entities or by a

consortium and must be made directly by the interested Documents Required

All applications to prequalify must comprise the following The identity of the party or parties applying for

prequalification. Banking and commercial references for each party. Company report and accounts for the past three years

An indication of the source of funds which will be applied to the acquisition.

Statement of experience in the naval and/or metal working industries and description of technical and management resources.

Prequalification Criteria

Applications for prequalification to bid will be assessed on the following basis:

- Proven experience in the naval and/or metal working industries within the bidder or consortium of bidders or through a designated operator.
- Aggregate net worth of not less than US\$10 million or

The bidder must have no overdue and outstanding financial obligation to the Venezuelan State. Applications for prequalification, together with relevant supporting documentation, shall be delivered in writing no later than 4.00 pm on 11 July 1991 to:

Fondo de Inversiones de Venezuela Office of the Manager for Privatisation

Torre Lara, Esquina de Mijares, 5th Floor, Caracas, Venezuela Tel: 58-2-819422/819429 Fax: 58-2-839169 The Fondo de Inversiones de Venezuela will review the applications and credentials received and will announce the results of the prequalification process in the international and

local press by 18 July 1991. Prequalified parties will be invited to submit bids in a public ceremony on 14 August 1991.

Information on Astinave and visits to its installations or its Data Room shall be arranged through:

Morgan Grenfell & Co. Limited, London Tel: 44-71-588 4545 Fax: 44-71-826 7130 Attention: Tim Taylor/Alain Terraillon

Morgan Grenfell Representative Office, Caracas Tel: 58-2 987 5366/985 4144 Fax: 58-2 987 7144/985 1545 Attention: Roger Silver/Richard Stoddart

Issued by Fondo de Inversiones de Venezuela SA and apparared by

Margan Georgial & Co. Limited, a member of The Securities and Futures Authority, solely for the purposes of Section 57 of the Financial Services Act 1986.

#### FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, June 17, 1991 . In some cases the rate is nominal. Market rates are the average of buying and setting rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. US S D-MARK YER COUNTRY CX 1000 £ 576 US S O-MARK YEN US S D-MARK YEN COUNTRY (X 100)

12.6975 0.5387 7727-29 0.4786 0.4786 0.4635 0.4635 0.4635 0.4635 0.4635 0.4635 0.4635 0.4635 0.4635 1.3857 74.914 1.917 10.1889 1.2188 61.0205 6.192 18.0233 99.25 10.0714 29.3150 3.3957 62.7863 35.668 1.5 5514.36 0.9944 0.7316 7.0273 88.3418 4,3326 80,109 45,5088 1,9138 7035,77 1,2688 0,9334 8,9661 112,715 (Fr Fr) (Sp Peseta) 6.1066 112.911 4.872 619,428 249,723 649,401 126,883 1007.50a 487.50a 3.5441, Regning Is, de 3.799, Regning Is, de 3.799, Regning Is, 5.4997, St. Carlstopher 5.0585, St. Helena 44.7764, St. Lincha 148.309, St. Pierra 1392.93, St. Vincena 192.2911, San Marian 0.2589, San Gerse 0.4769, San Gerse 0.4769, San Gerse 0.4769, San Gerse 0.4769, San Gerse 1.6902, Senegal 2.7777 2.9775 4.2791 43 1527 0.7094 0.2565 80.109 23.9912 1.4256 26.2595 1.4176 216.628 0.7094 14.8309 2.5305 208.949 1.2549 1.2549 216.628 4.7105 1.6265 0.6111 183.65 55.00 3.2584 60.20 3.2500 496.62 1.6265 34.00 3.3678 479.015 2.9000 21.014 496.62 10.798.50 Honduras Hong Kong Hungary 218.18 4.3675 1.00 4.3675 9.9325 4.3675 2176.25 303.875 6 113.62 8 7000 372.80 2.7000 4.4715 4257.50 (France Court St. (Court St. (Cou 102.65 34.00 3193.285 113.00 0.5936 1.0935 3.8750 2176.25 16.2100 229.25 1.1030 5 5418 78.376 0.377 7.0708 100 0.4811 9.9661 140.947 0.6781 2.5/721 3.3556 112.911 15.8 0.7316 0.5389 403.812 0.161 (Riel)
(CFA Fr)
(Canadian S)
(Sp Peseta)
(CV Escudo)
(CI S)
p (CFA Fr)
(CFA Fr)
(Chileson Peso) 255.556 169.785 0.6343 41.7166 0.4611 169.785 169.785 190.978 2.994 339.27 169.785 68.1389 169.785 0.442 326,063 216 628 0.8093 80,109 53,2263 0.5883 216,628 243,668 432,875 216,628 66,9384 216,628 0.5486 0.3446 (Her Kip) (Lehanese £) (Malesti) (Liberian S) (Libyan Dinar) ein (Swiss Fr) rg (Lux Fr) Ð 4.4956 11.4394 1.7833 2.8721 6.5032 1.5447 20.9806 223.489 24.5926 305.33 1.3157 4.2451 0.9996 4267.38 1.3157 702.57 3.6481 0.6148 2,9006 4,6715 10,5775 2,5125 34,1250 44,000 49,62 2,1400 6,9063 1,6263 6,9063 1,6263 6,9063 1,6263 0.9916 1.597 3.6162 0.0253 11.6666 15.2136 127.055 0.7316 0.536 0.7316 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.536 0.3418 0.342 0.342 0.556 0.342 0.556 0.342 0.556 0.342 0.556 0.342 0.556 0.342 0.556 0.556 0.556 0.342 0.556 0.556 0.556 0.556 0.342 0.556 (MG Fr)
(Port Escodo)
(Kwasha)
(Ringgit)
(Rariya)
(CFA Fr)
(Malten E)
(Local Fr)
(Rogulya)
(Masr Ropee) 19,4111 182,111 17,4482 215,462 3,070 3,070 498,45 0,7094 498,45 0,7094 1,317 1,318 17.2752 16.6495 3.8581 97.4358 1.5 7.1 22.0414 21.2431 4,9225 124.318 1,9138 9,0588 31.0667 29.94<u>15</u> 6.9382 175.223 2.6975 12.7682 21400 1142,73 5,9842 1,00 1,6265 3,0704; 1,77,50 2176,25 88,957,50 1,6265 1,6265 3,8379 3009.94 3003.42 6.1066 6.1066 3.3524 2.6975 9.0299 1485,7 1011.13 1130.66 3.2831 7.9956 305.33 2.0537 3.3957 3.3957 1.8641 1.5 5.0212 826.15 1934.92 0.6189 1.8569 109.13 1338 54.6989 8132.49 0.3418 3.8581 0.8508 2.3663 3.3957 169.785 3.3957 59.829 (S A Rand)
(Australian S)
(Nepalese Rapee)
ds (Guilder)
lles (A/Guilder)
nd (NZ S) 4,6715 2,1400 54,2896 3,2950 2,9088 2,8185 8,1250 (Falk Đ ish Kroner) (Fiji \$) (Markka) 2.3596 12.0389 0.4604 23.5326 4661.87 61.1935 3.176 (Tala) (Ria) (Ria) (Diser) (Zaire) (Kwacha) (S) 3.8379 19.5813 0.7490 38.2758 7550.00 99.5313 5.1659 Gold Cordoba) (CFA Fr) (Naira) (Nor. Krone)

Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential Imports; (g) Financial rate; (h) Exports; (l) Non commercial rate; (f) Busing rate; (l) Luxury goods; (nt) Market rate; (n) Public transaction rate; (d) Official rate; (g) oreferential rate; (g) connectible rate; (e) parallel rate; (g) Selling rate; (l) Tourist rate (u) Currencies fixed against the US Dollar, AChile; Peso revalued by 2pc. June 17, 1991.

Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries; (77) 634 4360/5.

Monday June 17, 1991.

#### Only one airline flies daily non-stop from London, Paris and Frankfurt to Tokyo.



£75,000,000

9%% Fixed Rate/Floating Rate

Coment to pay

Sk

**BANCO DI ROMA** 

Mortgage Securities (No.2) PLC

Mortgage backed floating rate notes due 2028

For the interest period 14 June 1991

to 13 September 1991 the notes will bear interest at 11.4144% per annum.

Interest payable on 13 September 1991 will amount to \$2,845.78 per\$ 100,000

£5,500,000

HMC MORTGAGE ASSETS

102 PLC

recrease due March 2021
For the Interest Period from June 14, 1991 to September 16, 1991 the Note Pate has been determined at 12,15% per amount. The interest payable on the relevant interest payable

nominel amount. By: The Chase Manhatha Bank, N.A. Louios, Agent Bank June 18, 1991

SDS BANK LIMITED

Yen 200,000,000

Sezies B Oil-Linked Coupon

Guaranteed Notes due 1991

For the six months December 13.

1990 to June 13, 1991 the Notes

will carry an interest rate of 5.33262 per cent.

per ammin.

The coupon pertaining to each Note of Yen 100,000,000 for this

interest period will be Yen 2,666,310 and will be

psyable on June 13, 1991.

Listed on the Luxembourg

Stock Exchange

IRI International Limited

Agent Bank

Agent: Morgan Guaranty Trust Company

**JPMorgan** 

per £1,000 Note per £5,000 Note

£250,000,000

11.1875% per azmu

Depositary Receipts Due 1993

Potomac Palisades • Foreclosure Auction 17 Acres On The Potomac River - 11 A.M. June 25th

By order of the secured party the Substitute Trustee is foreclosing on the property. While all bids are subject to confirmation, the Secured Creditor recognizes the dynamics of the current market and will give

Adjacent to National Park Land the site is on a bluff overlooking the Potomac River and Washington D.C. just west of Key Bridge and within walking distance of Metro Rail and Georgetown. This last remaining large undeveloped site along the Potomac High Palisades is without equal. Plans and zoning are in place for office, hotel and residential are.

\$250,000.00 deposit in cash or cashiers check. 30 Day Settlement. Other terms. Sale scheduled at 11:00 A.M. Tuesday June 25th on the Arlington County Court House steps, Arlington, Virginia. Complete terms, conditions and detailed information package is available. For information regarding this property or the auction process please call the Auctioneer at 703-370-2338 or FAX 703-823-5587 or our 24 hour recorded information line at 703-270.

R.L. Rasmus Auctioneers, Inc.

Yasuda Trust and Banking (Luxembourg) S.A. US\$ 50,000,000 Floating Rate Guaranteed Notes Due 2000

with Fixed Rate Option Guaranteed by

The Yasuda Trust and Banking Company, Limited In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the interest period 18th June 1991 to 18th December 1991 has been fixed at 6-9% p.a. The coupon amount payable on 18th December 1991 will be US\$ 175-38 per US\$ 5,000 Note.

London

The Yasuda Trust and Banking Company, Ltd. Agent Bank

£200,000,000 MFC Finance No.1 PLC Mortgage Backed Floating Rate Notes Due October 2023 in accordance with the Terms and Conditions of the Notes, notice is hereby given that the new interest rates and periods in espect of the subject Notes are as follows:-Payment Date
Seite A Sure to 3 July 1991
Serte B Glune to 3 July 1991
Serte G 7 June to 5 July 1991 Plate 4 Payment Date
11.825 Series D 12.June to 10.July 1991
11.825 Series E 13.June to 11.July 1991
11.885 Series F 14.June to 12.July 1991 CITIBANCO

CAL INVESTMENTS LIMITED INVESTMENT MANAGEMENT IN FOREIGN EXCHANGE

AND FINANCIAL FUTURES CALL PAUL GLEESON ON TEL: 071 799 2233 FAX: 071 799 1321

Gold & Silver to rally? Phone or write to David Kerly (Senior Analysi) 071-734 7174 Chart Analysis Ltd. 7 Swallow Street, London WIR 7HD



**FUTURES** AND FOREIGN EXCHANGE 24 HOUR COVERAGE

CAL Futures Ltd Windsor House London SWIH ONW Fax: 071-799 1321

#### OMRON **CORPORATION**

Advice has been received from Tokyo that the Fifty Fourth Annual Meeting of Shamholders will be held at the Heed Office of the Company located at Karasuma Namajo, Shrengyl-Lu Kyoto at 10.00 e.m. on Thursday June 27th 1991.

Statement for the 54th Hoste was sent April 1st 1990 to March 31st 1991, and Balanco Sheet as of March 31st 1991. Matters to be reached (1) Proposal for appropriation of retained earnings of 54th Fiscal Yeer and to declare cash dividend of Yen 5.50 per share.

(2) The americanist of part of the Articles of Incorporation.

(3) To elect three stations suchious.

(4) To elect three stations suchious.

(5) The payment of condolence allosence to the late Director Kazzma Telei and retirement abovance to the retiring Directors.

In accordance with Clause 15 of 81

Directors.

In accordance with Clause 15 of the Conditions, holders of BEARER DEPOSITARY RECEIPTS withing to instruct the Depositary to exactise voting rights in respect of the shares represented by their Receipts, are notified that they must lodge their Receipts with one of the following by 2000-2000.

available).

KREDIETBANK SA
LLIXEMBOURGEOISE, 43 Boulevand
Royal, Luxembourg.
BANK OF TOKYO LIMITED, 4-8 Rue
Sainte-Arms, Paris 7800, France.

BANK OF TOKYO LIMITED, kremermannstrasse 43. 4000 Dusseldori 1, Gern 4000 Dusseldorf 1, Germany,
BANK OF TOKYO LIMITED, Avenue
des Arts 47-49, 10-40 Brussels,
Belgium.
BANK OF TOKYO LIMITED,
Susherland House, 3 Charter Fload,
Hong Kong.
BANK OF TOKYO TRUST COMPANY,
100 Broadway, New York City,
NY 10005.

NY YOUS.

If desined, instructions may be given to Hill Samuel Bank Limbard to give discretionary proxy to a person designated by the Company.

Voting Flights may only be exercised in respect of Depositary Receipts representing Ordinary shares on the Register as at 31st March 1991.

Contain in Foreiting the last later of Copies in English of the kull text of the Notice convening the Meeting If required, are available during normal business mentioned Rooks.

HILL SAMUEL BANK LIMITED

£135,000,000



**Leeds Permanent Building Society** 

Floating Rate Notes Due 1998

Interest Rate Interest Period

Interest Amount due

11.3125% per annum 14th June 1991 16th September 1991

16th September 1991 per £10,000 Note £291.34

Credit Suisse First Boston Limited Agent

#### INTERNATIONAL CAPITAL MARKETS

# French bonds fall steeply ahead of confidence vote

By Simon London and Sara Webb in London and Patrick Harverson in New York

THE FRENCH government bond market sold off sharply yesterday ahead of the parliayesterday ahead of the partia-mentary motion of no confi-dence faced by Mrs Edith Cres-son, the new prime minister. The September bond futures contract fell to 105.08 by the close, from an opening level of 105.48. The benchmark 8½ per cent 10-year government bond closed on a yield of 9.14 per cent, up 10 basis points on Fri-day's close. However, analysts said that

the self-off reflected fears of a liquidity squeeze at the shorter end of the market rather than political uncertainty. The movement was led in the futures market and followed by cash bonds, where volume remained low. The Spanish pesets contin-

ued to fall on the foreign exchange markets, allowing the French currency to rise above its European monetary system floor for the first time in three months. However, currency analysts said that the weakness of the Spanish currency was probably temporary and did not provide the French government with an opportu-nity to cut interest rates.

**ESENTIMENT** in the German government bond market was little moved by the announce

#### GOVERNMENT BONDS

ment at the weekend of a deal between the government and opposition parties which opens the way for tax increases to finance German reunification. Helmut Schlesinger, who takes over as Bundesbank president when Mr Karl Otto Pohl steps down next month, that monetary conditions will have to remain tight unsettled the

market. The September bund futures contract closed at 85.71, having opened at 85.78. In after-hours trading, the contract fell back further and was quoted at

≡UK government bond prices swung lower yesterday as the weakness of the pound and political uncertainty caused prices to be marked down.

The September gilt futures contract closed at 89.18 down from an opening level of 89.21. Volume was a sluggish 15,000 contracts.

in the maturity range seven-15 years will go on sale.

If the Bank decides to aim the issue at foreign investors, it seems more likely to choose

is also useful for swaps hedg-ing. The Bank sold £500m of this stock in February, bringing the total amount in issue up to £2.4bn.

Treasury stock due 2003.

From today the FT will change the basis of calculation of the yields of the Italian government bond to follow Italian market practice. Yields on the Italian bond will henceforth be calculated on an 360-day basis rather than on a semi-annual basis as previously.

£-1-1-1-1			:					
BE	ICH	HAR	K.Q	OVER	HEN	IT BO	HO	•
	•	Cauper	Ard Spin	Print	Charge	Yhde	West.	***
AUSTRALIA		12.00	11/01	104 7000	+ 2.436	11.21	:7 13	-0.5
BELGIUM		10 000	05-00	104 4000		4.75	9 18	<b>1</b> 14
CANADA "		9 750	98/81	04 N TO	-3 700	9.91	<b>7 16</b>	347
DENMARK		1.000	11/00	86.6730		9.20	21:	8 10
	TAN	9.000	02/96 19/10	99.6927 102 1400	-0.182 -0.510	9.27	\$0¢	8 77 9.54
GERMANY		127	06/01	100.2040	-0.000	6.34	437	124
ITALY		12.500	10701	10 4100	4.300	12.78	(2.80	:267
	119 129	4 300	09/00 09/00	97 3822 97 5884	+8 136 +8 264	7.30 8.36	7.38 E.34	727
NETHERLAND	3	8.500	63/01	TR. 1490	+6414	1.47	0 05	214
SPAN .		11.000	07/96	90 F000	4.100	15,00	11.00	57
LEK GILTS	•	10.000 10.000 9.000	17/85 02/01 FD/08	99-07 96-22 97-02	-\$9732 -\$9732 -\$9732	2022 2027 2020 2020	10 36 10 47 10 15	10 26 10 42 11 41
US TREASURY	•	# 000 # 125	06/01 06/21	78-05 96-08	+2002	927 347	125	& 15 Q 37

ndon closing, "denotes Here York monding species" nes: US, UK to 32nds., Others in decimal The benchmark 11% per cent

the benchmark 11% per cent gift maturing 2003;2007 closed down & on the day at 107% for a yield of 10.46 per cent.

The Bank of England will announce today the details of the UK government bond auction scheduled for June 26. Between £1bn and £2bn of gifts in the maturity rappe seven.15

the existing 10 per cent Treasury stock due 2001, as this could be used to provide a liquid 10-year benchmark. The 10 per cent gilt due 2001

If the Bank believes that demand at the auction is likely to be greater from domestic investors than from foreigners, it may choose to auction either the 9% per cent Treasury stock due 2002 or the 10 per cent

narrow range yesterday morn-ing in light trading as the mar-ket shifted its attention to the

approaching injection of fresh supply.

By midday the benchmark 30-year government issue was

Yields: Local market standar Tagnator Catal #12.A\$ Prop Bours up & at 98%, to yield 8.655 per cent. The two-year note was down & at 99%, yielding 6.9%

per cent.

After several weeks of concentrating on economic issues. dealers and investors are now more consumed with the effect on the market of next week's note auctions. Details of the sale of two-year and five-year paper will be announced tomorrow, and with the marke: remaining in a broadly possi-mistic mood, the fresh supply could undermine scattment even further. Fed funds eased slightly yes-

terday, dropping from 5% per cent to 50 per cent. Although funds were trading below the Federal Reserve's target of 5's per cent, the Fed did not inter-vene to push the rate higher.

THE JAPANESE government bond market recovered ground yesterday following a sharp

rise in yields last week. The benchmark government bond issue No 129 closed the Tokyo day on a yield of 6.345 per cent, against an opening level of 6.86 per cent. mus bond prices moved in a

Today, first-quarter gross national product statistics are expected, as are M2 (narrow money supply) figures for May. The market is also awaiting details of a government bond

FT/AIBD INTERNATIONAL BOND SERVICE

Leftit prices at 6.10 pp on June 17 Che.

649 Yield GTMER STRAIGHTS

1-1 7.26 BAYERSONE VEREIS HIT 74 UP

1-1 8.46 KREDET CORP 7 TO LIF

1-1 8.48 WORLD BAKE 8 TO LIF

1-2 7.49 BE WORLD BAKE 8 TO LIF

1-2 7.49 BE WORLD BAKE 8 TO LIF

1-3 7.49 BE HILL GRANDA 10 96 TO LIF

1-4 8.20 BELL CHARDA 10 96 TO LIF

1-5 7.40 BE WORLD BAKE 8 TO LIF

1-7 15 BE 10 LIF 9C C

1-7 15 BE 10 LIF 9C C

1-8 10 BETTEN GORDBAR 9 TO LIF 9C C

1-9 90 COMERA LIF COP 10 14 9 DC

1-1 8.20 MOSTERA TRESTOD 10 14 9 DC

1-1 8.20 MOSTERA TRESTOD 10 14 9 DC

1-1 8.20 SELDEN 9 16 9C C

1-1 8.20 SELDEN 9 16 9C C

1-1 8.20 SELDEN 9 16 9C C

1-2 22 BELL WAR 9 LIF 9C C

1-3 80 SEDER 9 16 9C BE

1-4 8.21 DEMMER 7 3 8 9 ED

1-5 8.40 EBS 10 7 EB

1-5 8.40 EBS 10 7 EB

1-5 8.40 SELDEN 9 18 SELDEN

1-5 8.40 SEL ABBEY MATORIAL 8 7/8 93

AL SETTA PROVINCE 9 3/8 95

ALSTEA 8 1/2 00

SANK OF TOKYTS 9/8

BELGIUM 9 1/3 9/2

BFLC 7 3/4 97

BFLC 7 3/4 97

BPLC 7 3/4 97

BP BPCAPTAL 9 58 93

CARADA 9 96

CARADA 9 149 96

CODE 9 149 96

CREDIT FORCIER 9 1/2 99

DEMMARK 8 1/4 94

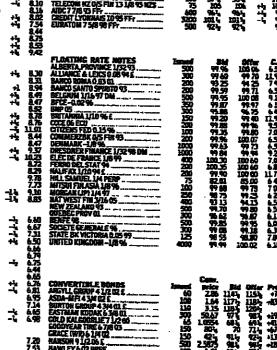
ESSER 1 149 96

EBC 7 1/4 93

EBR 7 1/4 97

ELEC DE FRANCE 9 98

EUROFINA 9 1/4 96 EIR 9 1/4 97
ELEC DE FRANCE 948
EDROTINA 9 1/4 96
EDROTINA 9 1/4 96
EDROTINA 9 1/4 96
ETROTINA 9 1/4 96
ETROTINA 9 1/4 96
ETROTINA 9 1/4 97
FREINSE EZONET 9 3/3 95
FORD MOTOR CREDIT 9 1/2 95
EDE DEL CAPITA, 9 3/8 96
EMACY 9 1/8 97
EMACY 9 1/8 96
EMACY 9 1/8 97
EMACY 9 1/8 96
EMACY 9 1/8 97
EMACY 9 1/8 96
EMACY 9 1/8 97
EMACY 9 1/8 98
EMACY 9 1/8 98 DEITSCHE MARK STRABERTS DEITSCHE BK FIR 558 % DEITSCHE FIRANCE 7 L/2 % EEC 5 3/8 93 .....



H. WINDS TO STATE OF THE STATE HE BERTHANDS OF THE SECOND SEC

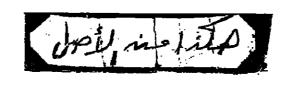
98 891, 811, 99 871, 1001,

DESISCHE FINANCE 7 1/2 95
EEC 53 3/4 99
EIB 5 3/4 99
EIB 6 7/8 95
EIB

SWESS FRANC STRABENTS ASIAN DEV BANK & 10 ... AUSTRIA 4 5/8 98 ... CHURISHYA 7 3/4 95 ... COMBIZI, EURIPE 4 3/4 98 ... EEC 5 1/2 00

COURTH EUROPE 4 34-50
EEC 5 1/20
EB 5 3/4-79
ELEC DE FRANCE 7 1/4-06
FINI AND 5 3/8-95
ECHERAL MOTORS 7 1/2-95
JAPAS DEV 8K 5 1/2-94
HEW ZEAL AND 4 7/8-99
QUEBET HYDRO 5 66
SXANDIRAYISA ENEX 6 1/2-95
WORLD BANK 7 1/4-97

The Financial Times Ltd., 1991. Reproduction in whole or in part is any form not pero Data smolled by Association of International Bood Desters.





# How Sidney Murray Since the days of Tom Sawyer and Huckleberry Finn, generations of American people have known the power and beauty of the Mississippi. For some, however, it has proved

Since the days of Tom Sawyer and Huckleberry Finn, generations of American people a threat as it carved out new channels on its long journey to the Gulf of Mexico.

# discovered the power of Louisiana, to help manage the water flow between the main river and its

tributaries. Many years later, this proved a source of inspiration for local mayor, Sidney Murray.

the Mississippi

Cruising the river one day, he saw that the difference in water level between it and the bypass canal offered a significant opportunity.

"It suddenly dawned on me that we had a potential source of clean, inexpensive hydro-electrical power on our doorstep," he recalls. "All we needed was the technology to make it happen."

The realization of his idea was as innovative as his vision. The steel structure of the entire power plant was prefabricated in a New Orleans shipyard, then towed upstream to its location. ABB coordinated and supplied the power equipment necessary to turn Sidney Murray's vision into reality.

Soon, Vidalia will have its new source of electricity. And the Sidney A. Murray Jr. Hydro Power Complex will be a showcase of man's ingenuity in harnessing nature's resources.

A hundred years of expertise in

- Power Generation, Transmission and Distribution
- Industrial Automation
   Transportation
- Environmental Systems

makes ABB the world leader in electrical engineering.



ABB Asea Brown Boven Ltd **Reader Services Center** 

at in li

وقع المادي والمدادية الصوران

Fragility (2)

---

\*\*\*\*\*\* \* \*. YO**CA** 

#### INTERNATIONAL CAPITAL MARKETS

Adviser to

**Barclays** 

warns on

By David Lascelles,

Banking Editor

EC scheme

AN EC-wide banking and payments system — one of the aims of the commission — should not automatically be

open to any bank which wishes to participate, accord-ing to Barclays Bank's EC

In a study on the future of EC payments systems, Mr Mal-colm Levitt says "banks should be free to decide whether or not to accept

another bank as a risk". If any

bank could participate, there would have to be "bulkheads"

in the system to prevent a banking crisis in one country spreading to another, and that

would be unrealistic.

The study is a response to the commission's proposals last September for a European

payments system to reduce costs and delays in cross-lorder payments, and speed up growth of the single market.

Mr Levitt says proposals for pan-European systems, partic-ularly those imposed by the

authorities, are probably unre-alistic because they might force banks to assume risks

they would not normally take.
He says participants should agree on objectives for a European payments system. These include the need for fair

charges, reduction of payment uncertainty, responsiveness to customer needs, adaptability,

and control of risk. Any sys-

tem imposed from above would be unlikely to achieve

these aims, so a market-based

approach would be more desirable, Mr Levitt argues.

The commission has no

plans to mandate a payments system. But the preference of Sir Leon Brittan, the commis-sioner responsible for finan-cial services, is for a new insti-

tution that would link existing

# Fund managers angry at their exclusion from Swift

By Richard Waters

FUND managers reacted angrily yesterday to a decision to refuse them entry to Swift, the bank-owned payments and financial messaging system. At Swift's annual general meeting last Friday, 68 per cent of the bank shareholders

voted to allow fund managers into the system - short of the 75 per cent majority needed. Mr Andrew Palmer, director of finance and operations at Legal and General investments, part of the big UK insurance group, said of the banks' decision: "I find it abso-

lutely crass. It struck me as an excuse to keep us out." Fund managers, who had campaigned to be allowed in, said being in Swift would have eased their administration for settling securities bargains. them to look to other financial networks which could lead to them bypassing the banks.

Chairman of Basle

MR Huib Muller, the Dutch

central banker who chaired the Basic Committee on Bank-

ing Supervision, died yester-day after a prolonged illness. He was 54, writes David Las-

celles As chairman of the

Basie Committee he became

one of the leading figures in the field of international bank-

ing supervision.

committee dies

whole that fund managers have been kept out," said Mr David Batten of S. G. Warburg, which handles the administration of securities bargains by its own fund management business. Mercury Asset Manage-ment, as well as other inves-

Access to Swift would have allowed fund managers to auto-mate their settlement instructions, cutting out much of the administration that currently takes place. The gradual introduction of shorter settlement periods around the world has made it important for settlement messages to be automated in this way. Being in Swift "would proba-

bly save a day in processing settlement instructions," said Mr Batten - helping to reduce significantly the number of international securities trans-

"It's very disappointing for actions that currently fail dur-the securities industry as a ing the settlement process. Mr Palmer claimed that the banks themselves could even-tually suffer from the decision. "If we [Legal and General] can't become members of Swift, we will develop our rela-tionship with Euroclear – we simply won't need banks so much."

Opposition to the fund man-agers is believed to have come mainly from US banks which operate the largest global cus-tody businesses. They have argued that allowing fund managers into the system would lead to them bypassing the global custodians.

Fund managers say, though, that using Swift would enable them to communicate with global custodians more effec-tively, and that being kept out of Swift is more likely to lead them to develop ways round

## Soft commissions use doubles

According to Greenwich, 13 per cent of institutional broking business in the UK was THE use of soft commission by UK fund managers doubled last year as official disapproval conducted under soft commisof the practice eased, according to research by Greenwich Associates, a US research com-pany, writes Richard Waters. sion agreements in the year to March 1991. In the previous year, it was around 6 per cent. Greenwich's research was Soft commissions - which involve stockbrokers refunding based on interviews with 165 a proportion of the commisinstitutions.

sions paid to them by fund managers in the form of ser-"kickbacks" in some quarters. The Securities and Investments Board, the chief UK investment watchdog, last year ended a long argument over the practice when it decided not to ban soft commissions.

Soft commission houses attribute the rapid growth to the SIB's decision last year,

which has made the practice acceptable. The growth of soft commission business will fur-ther damage already struggling UK stockbrokers, since it reduces the commissions they retain. The position was made

### **Jardine in London listing**

By Angus Foster in Hong Kong

JARDINE Strategic Holdings, part of the Jardine Matheson group, has applied for a listing on the London Stock Exchange.

The move is the latest in a string of overseas listings by the group. Parent company Jardine Matheson is in the pro-cess of negotiating with the worse after a price war last year, launched by Warburg Securities, which agreed to refund up to 83 per cent of commissions compared with the more normal 50-55 per cent. The SIB had at one stage planned to impose a ceiling on the amount of soft commission

business institutions could undertake. Although it has dropped the idea, it has said it will keep a close eye on the amount of broking business done this way.

 Some 31 per cent of managers used derivatives during the year, compared with 16 per cent the previous year, according to the Greenwich research.

national systems. Mr Levitt says this would require a substantial invest-Hong Kong authorities to move ment in software, with the risk that development would Hong Kong authorities to move its primary listing to London in the face of political uncer-tainty facing Hong Kong's 1997 return to Chinese sovereignty. Jardine Strategic, which owns 35 per cent of Jardine Matheson, is already listed in Hong Kong Singapore and be paced by the slowest, least sophisticated member. sophisticates memoer. Future European Payments Systems by Malcolm Levitt. £1.50. National Institute of Eco-nomic and Social Research, 2 Hong Kong, Singapore and Luxembourg. Dean Trench Street, London SWIP 3HE.

# Norway launches debut Ecu issue

By Sara Webb and Tracy Corrigen

TWO Norwegian borrowers tapped the Ecu Eurobond market yesterday, with the Kingdom of Norway issuing its first, long-awaited Eculbn bond in a rather sluggish mar-ket.

The Kingdom of Norway's five-year issue, which is lead managed by Paribas Capital Markets, is partly to refinance debts which mature in October. More importantly it is a sign that Norway - which linked its currency to the Ecu recently - wants to establish its position in the Ecu bond market with a benchmark

The issue has a coupon of 9 per cent and was priced at \$9.9 to yield 9.026 per cent. This compares with a yield of 9.05 per cent on five-year Kingdom of Belgium paper. Some traders

#### INTERNATIONAL BONDS

pointed out that this made the deal look rather tightly priced. Norway has a better rating and is a less frequent borrower than Belgium, but investors had expected the Norwegian bond to yield slightly more than the Belgian bond, so some of the issue was left unsold,

Norsk Hydro, which is 51 per cent owned by the Norwegian

still tapping the market, although the glut of Canadian Royal Bank of Scotland to use ADRs to raise capital By Tracy Corrigan

the US market in July.
The issue, already filed with the Securities and Exchange Commission, the relevant US authority, will total around \$200m. The 8m non-cumulative referres to be priced at prefence shares, to be priced at \$25 per share, will take the

Royal Bank. Merrill Lynch, Goldman Sachs and Lehman brothers will underwrite the offering.

Deveni Kaya Br 74 100 interest in the issue. paper in recent days has rather dampened interest. Lafarge Coppee, France's largest cement and construc-tion materials group, brought an unusual issue of zero-cou-pon bonds priced at par, with redemption linked to the per-The Province, which has a large budget deficit, is attracted to the Euromarket where borrowing is cheaper than in the domestic market.

NEW INTERNATIONAL BOND ISSUES

1015

100

12%

per cent to yield 51 bests points over the 9% per cent Canadian government bond due 1998, though the yield spread wid-ened to around 55 basis points by late afternoon. The Province of Ontario's most recent seven-year Euro-bond issue is trading at 59 basis points over the compara-ble government bond. The lead manager, Deutsche Benk Capital Markets, said that investors

from Japan, Europe and the Middle East had shown an

The issue has a coupon of 10%

Caisse des Depôts and Bankers Trust, will not be actively traded. Bankers Trust has previously structured similar deals, linked to the French stock index. Meanwhile, in the equity

formance of the company's shares. The deal, arranged by

13:1575 Decembe Bt Cop Mile

11gille Banco & Rome

warrants sector. WestLB is expected to announce a DM630m bond with warrants for Asahi Glass later this week. The bond is expected to have a four-year maturity with a cou-

The issue will restore the bank's capital to the level of March 1990, according to Mr

Whitehead. Since then, the bank's assets have grown, but

it has raised no new capital for

mended targets of 4 per cent (Tier 1) and 8 per cent (total capital), relative to assets,

the last 21 months.

CANADIAN DOLLARS

FRENCH FRANCE

Province of Onterio(s)!

ume GTE Finance Corple)?

D-MARICS Shinko Shoji Co.(e)†

state, issued a seven-year Ecui50m bond with a coupon of 9% per cent. It was priced at 101.45 to yield 9.825 per cent and lead managed by Morgan

The issue was largely pre-placed with institutions yester-

day and received some retail

interest. Traders said the King-

dom of Norway's much larger

Ecu issue did not attract inves-tors away from Norsk Hydro's

issue: the sovereign debt is of

more interest to institutions

and central banks while the

corporate debt is aimed at

C\$500m Eurobond issue shows

that Canadian borrowers are

The Province of Ontario's

retail investors.

SWISS FRANCE

THE Royal Bank of Scotland plans to raise core capital by issuing preference shares in the last 21 months.

The preference shares will boost the Royal Bank's Tier 1 capital from 6.7 per cent to 7.2 per cent, and its total capital from 11.1 per cent to 11.6 per cent. These levels are already comfortably above the recommended terrorits of 4 per cent.

form of American depository The US market is the most appropriate "in terms of both pricing and investor appetite for preference shares, said Mr Grahame Whitehead, deputy group finance director at the

under the Basle guidelines on international capital. The Bank of England has confirmed that the issue will qualify as Tier 1 capital, under capital adequacy guidelines.

#### Femcon system to replace open outcry in Athens

By Kerin Hope in Athens

THE Athens stock exchange council has selected Femcon Associates of Roston to estab-lish a computer-assisted trad-ing system to replace the open outcry method.

Femcon systems are in use at the Boston, Los Angeles and San Francisco stock exchanges and on the New York commod-

ities exchange.
Electronic trading in Athens is expected to start at the end of the year, according to Pro-fessor Nikitas Niarchos, the bourse president. The time-table may depend on the will-ingness of the Greek post office to speed up the long-de-layed installation of digital switching systems in the Athens financial district.
Brokers will be able to trade

in 130 listed issues from termi-nals in their offices or the exchange building. The system will automatically match share bids and offers and guar-anizes a 1.5 second response. The tender calls for 500 ter-

minals with the capacity to execute 40,000 orders as hour. Shares will be traded at first, but the system will be expen-ded to include bonds, options and futures.

Later, Femcon will extend the system to the northern city of Salonica.

The Ferncon proposal calls

for using Stratus compaters and a telecommunications net-work supplied by Telindas of Belgium. Fession will provide the software. Cost is estimated at Dr700m (\$3.8m).

#### LONDON MARKET STATISTICS

#### FT-ACTUARIES SHARE INDICES © The Financial Times Ltd 1991. Compiled by the Financial Times Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Mon	day Ju	ne 17	1991		Jun 14	Jim 13	Jm 12	ago (approx)
FI	& SUB-SECTIONS gures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield?:• (Max.)	Gross Div. Yleld% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	ladez No.	Instex No.	ladex No.	index No.
1	CAPITAL 600DS (186)			10.94	5.83	11.24	17.53	832.18	833.16		
2	Building Matertals (24)	1055.72	-03	9.90	5.87	12.60	28.15				
3	Contracting, Construction (31) Electricals (10)	1272.77	<b> </b> −0.2		6.34	14.60	31.53			1298.45	
4	Electricals (10)	2395.23	į	10 97	5.59	11.61	61.85				2619.14
5	Electronics (25)			8.90	5.15	14.96	10.00		1737.71		
6	Engineering-Aerospace (8)	422.55	+0.5	16.52	5.93	7.28	10.83				
7	Engineering-General (47)	451.34	+0.1	12.23	5.79	9.90	9.64	450.96		449.40	
8		Į 46L53	-0.7	19.60	7.49	6.27	376				
- 9	Motors (13)	330.48	-0.5	12.00	7.34	9.82	9.98	332.08			376.62
10		1520.80		9.28	5.28	12.69	33.45	1523.82			1657.48
21	CONSUMER GROUP (188)	1483.51	-0.1	7.98	3.67	15.41		1485.71			1315.24
22	Brewers and Distillers (22)	1824.30	] <b>−0.3</b>	8.52	3.61	14.29	27.30		1830.58		1614.16
25	rood Manufacturing (20)	1170.69	+0.2	9.79	4.23	12.58		1168.36			1106.77
20	Food Retailing (16)	2698.59	-1.4	8.07	3.10	16.27		2736.75			2470.49
27	Health and Household (21) Hotels and Leisure (23) Media (26)	. 3578.84	+1.1	5.36	2.40	21.30	30.21		3460.93		
29	Hotels and Leisure (23)	1287.60	-0.4	10.18	5.38	11.66		1292.99			1493.11
30	Media (26)	.11422.89	-0.9	9.18	4.95	13.79	29.60		1433.16		0.00
31		697.76	-0.3	7.98	4.73	15.16	14.33			697.63	607.26
34	Stores (33)	907.48	-0.9	8.50	4.06	15.40	15.89			915.05	831_14
35		553.57	-0.3	9.68	5.64	12.76	11.43			559.95	
40	OTHER GROUPS (107)	1238.13		9.87	5.17	12.42	16.87	1238.81	1235.74		
41	Business Services (12)	1240.37	-0.4	9.35	5.25	13.07		1245.50			0.00
42		11405.39	+1.1	8.11	5.13	14,00		1389.50			
43		1466.44	<b>-</b> 1.1	10.38	7.08	11.62		1483.12			1703.99
44	Transport (13)	2229.25	+0.5	10.73	4.73	11.49		<u>221</u> 8.79			
45		1207.54	+0.2	11.48	5.52	10.91	0.00	1204.67			0.00
46 47	I elephone Networks(4)	1485.19	8.0-	10.02	4.10	13.05		1497.25		1489.27	1205.20
	Waterito)	2310.33	-0.6	17.21	6.51	6.44		2323.80			
48	Miscellaneous (23)	1948.20	+1.0	5.95	4.88	21,57		1928.14			
	INDUSTRIAL GROUP (481)	1247.19	-0.1	9.17	4 57	13.40	19.68	1248.60	1244 12	1247.12	1192.97
<u>51</u>	Oil & Gas (19)	2400.46	+1.0	11.31	5.70	11.64	50.59	2377.80	2368.51	2378.93	2293.56
59	SOO SHARE THOSY (SOO)	134E 30		9.44	4.72	13.15		1345.09	1340.21		1285.83
61	FINANCIAL GROUP (97) Banks (9) Insurance (Life) (7)	700 RA	-0.2		6.03		20.54	792.13		793.26	801.17
62	Ranks (Q1	875.00	-0.2 -0.6	7.87	6.32				795.46		
65	Ingurance (1 ife) (7)	TERL EA	+0.7	1.01	5.49	18.42		881.78	892.27	888.09	844.09
~~	incurance (Commercita) (6)	474 OE	+1.5	1 = 1				1496.67		1487.97	
67	Insurance (Composite) (6)	1116	13	7.11	6.50 6.02	18.31	20.23	664.07 1130 41	661.06 1130.38	657.96 1119.96	697.41
68	Merchant Banks (7)	423 31	-0.7	<u>,, </u>	4.95	ונכסנ	29.60 10.87	426.33	427.20	428.07	
69	Property (40)	929 20	-0.6	6.74	5.19	20.53	18.80	934.58	931.16		1090.35
70	Property (40) Other Financial (20)	274.94	-1.5	9.48	6.81	13.10	7.07	279.17	280.32	281.24	
71	Investment Trusts (70)	1221 62			3.45		18.66	1222 03	1219 59	1214.60	
90	ALL-SHARE INDEX (667)	1011 20	<u> </u>								
	MEL STARE MUEA (80//	1411.18	*******		4.86		21.47	1211.83	1208.74	1210 86	1169.29
		Index	Day's	Day's	Day's	Jpa	m?.	陌	tu)t	Jm .	Year
$\perp$		No.	Change	High (a)	Low (b)	14	ï l	12	ü	10	290
- 1	FT-SE 100 SHARE INDEX#	2524.0	+1.7	2524.1	2518.7	2522 3	2514.6	2520.2	2542.6	2511.9	

Fiz	(ED i	NTE	RES			AVERAGE GROSS REDEMPTION YIELDS		Mon Jun 17	Fri Jun 14	Year ago (approx.)	
PRICE INDICES	Mon Jun 17	Day's change %	Fri Jun 14	Accrued interest		1 2	Coupons	5 years 15 years	9.04 10.15	9.02 10.11	11.07 10.77
8ritish Government 1 Up to 5 years (29) 2 5-15 years (28) 3 Oner 15 years (9) 4 irredeemables (6) 5 All stocks (72)	120.94 .128.74 .134.89 .148.40	-0.21 -0.39 -0.30	121.34 129.63 135.42 148.85 129.18	1.81 1.90 1.66	6.73 6.05 6.35	5 7 8	Medium Coupons (8%-10¾%) High Coupons (11%-)	20 years		10.11 10.45 10.36 10.27 10.63 10.51 10.39 10.29	10.71 12.09 11.24 11.02 12.19 11.49 11.26 10.65
Index-Linked  Up to 5 years (1).  7 Over 5 years (10).  8 All stocks (11)	.158.93 .145.80	-0.05 -0.20	159.00 146.10 147.03	0.31	2.72 1.89 1.91	12 13 14	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10° Inflation rate 10° Delis &	Over 5 yrs Up to 5 yrs	4.31 4.31 3.34 4.10	4.28 4.29 3.31 4.08	5.29 4.18 4.16 3.99
9 Debs & Leans (56).	108.96	+0.11	109.02	1.96	5.03	16	Loans	15 years	11.69 11.50	11.69	12.87

40pening index 2521.9; 9 am 2520.3; 10 am 2522.8; 11 am 2520.1; Noon 2521.9; 1 pm 2520.8; 2 pm 2520.3; 2.30 pm 2520.3; 3 pm 2520.2; 4.10 pm 2521.9; (a) 4.28pm (b) 3.50pm r Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is available from the Publishers. The Financial Times. Number One, Southwark Bridge, London SE1.9HL. The FF-ACTUARIES STARE INDICES SERVICE includes details of the information used in the construction of these Indices. These are available by subscription from FINSTAT, 071-925 2323.

		HIS.	ES	AN	D FA	ills y	Æ\$	ŢE	RDA	Y			
British Funds													
Totals 547 518 1,718													
				OND			100						
EQI	JITI	ES	L	ONL	ON R	ECENT	155	UE	<u> </u>			一	
tene Price	Astrat Paki 15	Latest Remove Date		91 Low	s	tack	Closing Price	+0=	Net Dis	Tenes Cor'd	Grass Yield	P/E Batio	
100	F.P.	Ξ	108 101 207	100 99 200 101	Aberforth S; Do. Cap Do. Units 10	علاد احد احداثه اه	105 99 205 105		M9.0		11.4		
5100 5102 + +	FP.	=	165 185 185 185 185	썙	Abtrust Pref Do. Zero Dh Brockhampt Do. A Wares	ered (ac. Tst r. Prt too 10p sets 10n	105 155 155 155 155 155 155 155 155 155	크 Hg	M12.32	=	15.6 - - -	=	
SO 50 50 50 50 50 50 50 50 50 50 50 50 50	F P.	=	婴	33 140 151 151 151 151 151 151 151 151 151 15	Do. Mon/Vig City Mercha Contra-Cycl Do. Canital	, A 10p ats High Yid lead loc 1p	7%		N7.5	Ξ	9.9	=	
	F P F P F P	1	554 41 245 335	岩岩	Gaetic Res. V Globe Petroi Greencore Ir	ε Ω	55 ½ 28 28 20	-6 +2	=Q6%	5.9	1.6	- - 93	
+ 1250 385 125 125	F.P. F.P.	=	335 908 127 1115 33	289 691 104 100	Mangangr k Missor Gao.	Newspapers	220 289 908 104 111 111	<b>1999</b>	R6.55	1.7	84 49	9 <u>3</u>	
100 F.P 1115 100 Moorgate Smaller Cr's 11115 +1 M4.13 - 4.9 - 35 F.P 39 36 Do. Warrants 37 +1 M4.13 - 4.9													
	.   84		$\overline{}$			REST S	STO	CK	<u> </u>			<u></u>	
Issue Price E	.   1	Pald	Latest Resucc Date	High	1991 Law	REST	Stro		<u> </u>	P	cslog rice	+4	
Price £ 100 100	1	Pald Op	Latest Resuss Date	High 107p 100 1034 111a	1991 Law 1069	Brockhampton	Sin	pe Rail	M 1996 EI	٠ :	105p 105p 101	+ ar + t <sub>t</sub>	
Prior £	1	Pald Op	Latest Resum: Date	High 107p 100	1991 Law 1069		Sin	pe Rail	M 1996 EI	٠ :	Ticz £ 106p	-	
Price £ 100 100	1	Pald Op	Latest Resuss Date	High 107p 100 1034 111a	1991 Law 1069	Brockhampton	Sin	pe Rail	M 1996 EI	٠ :	105p 105p 101	+4	
Price £ 100 100	1	Pald Op	Latest Resuss Date	High 107; 100 1034; 1110 1034;	1991 Law 10bp 97½ 98½ 1049 98½	Brockhampton	Store NI/V 91-2 IPC Grad 1-2 PC Cray op Cites Insv. Cap	pe Rail	M 1996 EI	٠ :	105p 105p 101	+4	
Price £ 100 100	P A	Pald Op	Latest Resuss Date	High 107; 1034; 1110 1033;	1991 Law 10bp 97½ 98½ 1049 98½	Brockhampion EE Flance 84 RNG Capital Stough Exts 81 Tarrick 91 <sub>2</sub> pc	Store NI/V 91-2 IPC Grad 1-2 PC Cray op Cites Insv. Cap	pe Rail	M 1996 EI	Cic	105p 105p 101	+4	
100 100 100 4100 100 100	2 Au	Pald op P.	Latest Cate  Latest Remon: Date  Latest Remon: Date	High 107; 100 1031; 1113; 1031; High 5pm 19em	Low   Low   10ho   97h;   594;   10ho   984;   10ho   10	Brockhauptone Brockhauptone Brance Br	Store N/V 912 Str Gate Str Gate Store Stor	pe Rail	M 1996 EI	Cle Pr	100 p 991, 101 ll. Corn ll. Co	+4 <sub>t</sub>	
Price £  \$ 100   100   \$100   100   1500   1	2 Au	Pald op P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.	Latest Cate  Latest Remon: Date  Latest Remon: Date	High 1079 1034 1114 1034 1034 19m 5mm 7mm	Low 1000 9712 9844 1000 9844 1000 9844 1000 1000 1000 1000 1000 1000 1000 1	Brockhampton EF Flance 6 A RNC Capital 8 Sough Ess 8 Farmor 9 Epr  Anglo United Blacks Letur Falmay (Los Granata Granata Romans 8, Ma Jarry Ports	State  N/V 91-2  Fr. Gard  All Jac Chry  Ground  State  St	pe Roi i Each ( Bds : One, Ro Bds : 2	M 1996 EI	Cle Pr	LOSp 99% 101 LLOp 98% 102 pp. 2 pp.	+4; -1; +ar	
Price £  \$ 100   100   \$100   100   1500   1	2 Au	Pald op F.P. P.	Latest Cate  Latest Remon: Date  Latest Remon: Date	High 107: 100: 103: 111: 1103: 111: 1103: 111: 111	Low 1000 9914 1040 9914 1040 9914 1040 9914 1091 1091	Brockhampton EF Flance 8 v RNC Capital 8 Sough Ess 8 Farmor 9 v Sough Ess 8 Farmor 10 v Farmo	Store  N/Y 91-2  PG Cord  App Check  App Check  Store  Sto	pe Roi i Each ( Bds : One, Ro Bds : 2	M 1996 EI	Clear Pr	Fine E Company of the	+4; -1; + or +2	
Price £  \$ 100   100   \$100   100   1500   1	p i	Pad op P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.	Latest Cate  Latest Remon: Date  Latest Remon: Date	High 1007 1003-1110 103-1 1110 103-1 19mm 19mm 19mm 19mm 19mm 19mm 19mm 19	1991 Law 1049 975 984 1049 984 1049 1991 Low 21pm 14pm 22pm 14pm 22pm 22pm 22pm 22pm 22pm 24pm 22pm 24pm 24	Brockhampton EF Finance 8 v RNC Capital 8 Sough Ess 8 Farmor 9 v Farmor 10 v Farmor 1	Store  FINS  Store  Sto	pe Roi i Each ( Bds : One, Ro Bds : 2	M 1996 EI	Cle Pr 41 1 101	106p 10994 1011 1011 1011 1011 1011 1011 101	+47 +27	
Prior E 100 100 100 100 100 100 100 100 100 1	2 Au	Pad P P P P P P P P P P P P P P P P P P	Latest Remuse Date	High 1003 to 1110 1033 to 112 to 1	Low 1000 9712 9814 1000 9814 1000 9814 1000 9814 1000 1000 1000 1000 1000 1000 1000 1	Brockbampton Er Flance 8 V RNC Capital 8 Sough Ers 8 Farnox 9 V Sough Ers 8 Farnox 1 Far	Store  N/Y 91-2  pr. God  Apr. Chris  pr. God  pr. Chris  Store  Store  Store  Store  Store  A SOp  A SOp  A SOp  A SOp	pe Roi i Each ( Bds : One, Ro Bds : 2	M 1996 EI	Cic Pr 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	LIOS PROPERTY OF THE PROPERTY	+4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -	
Prior £ 100 100 100 100 100 100 100 100 100 1	e Au	Pald up up property p	Latest Resurce Date Latest Latest Resurce Date	High High 1003 to 1116 1103 to	Law     Law	Brockbauption EF Flance 8 V RNC Capital 8 Sough Ess 8 Farrice 9 V Farrice 9 Farrice 9 V Fa	Store	pe Roll   Each   Each	Pri 1996 E1 363 2006	71 103 103 103 103 103 103 103 103 103 10	LOS PROPERTY OF THE PROPERTY O	+47 -12 -1-17 -17	

			R	<b>GHT</b> :	S OFFERS		
15500	Amount	Latest	19	791	l	Clestog	+ -
Price 9	Paki us	Researce Date	High	Low	Stock	Price	7.0
31	MEU -		5mm	21,500	Angle United 20to	_	<u> </u>
12	iki i		1900	1600	Blacks Leisure 50p	41 <sub>20</sub> m 170m	l
62 44	166		5рия 15рия	400	l Fairman (Loudou) So	500. 500	i
140	開	_	700	25pm 25pm	Granada Group	500	٠.
	Nã I		30000	2500	Jarvis Porter 10n	2500 E	Ι.
20	值	i -I	21 <sub>2</sub> pm	2pm	Los & Assoc for Tel 10n	200	
33			121-pm   1000	9901 4677	Merchant Reuff 109	10 year	-
35	NI 1	_	400	2000	Prince & Robinson 1p	1,000 2000	í
115	盟	1	30pm 25cm	16pm 14cm	Pendrasen	. 30mm	
300	쨃	<u>-</u>	9100		School So South (W.R.) A Stop	14pm 90mm	:
<b>150</b>	Mg	! -I	24pm	léem	Stansler lads	lbes	
55	幅	- i	llon	500	Trade Indensity	500	
꾳	贈		19pm	12pm 3pm	Westbury 10p	1250	-
a Aemali	erd divides	d. b Flour	es based on	orometius.	estimates, d Dividend rate cald or payable	on eart of c	anital
eser Lucad	ca. divideo	र्वक विशेष	asital, o A	ट्राक्टर केंग्र	idend and yield in Forecast or estimated a	configed d	
202 (2040) I	Marie (in pr	enous year and which	, y calculado	. I Dalige	d and yield based on prospectus or other off r other official estimates for 1991. L. Est	المراج الحوا	## 10
iridead, co	च्या सार्थ होत	: based on	عس تملاث	28 e270loc	s. Čž. Dinideni and vield baseč za prespeta	s or ciber o	فاراته
stinunes fo	x 1991-92	, X Dhib	ज्यं अर्थ <i>ह</i> र्ष	ki basasi oo	prespectos er other official estimates for	1992 Q G	ress. A
	(1920) 1920) 1920)	motena, ca		t lates piz	ed on prospectus or other official estimat rights", 1 introduction, 6 Placing price, 11	s W Po	
rustes. P u Indicted con	MEG SI	den y per	america	1 5 (4) CT	regrantsation, merger or takener, put Pr		444

TRADITIONAL OPTIONS June 10

 First Dealing Last Declaration:

London Share Service ument Oil & Gas, ML Labs., Off-ver Res., Owners Abroad, Peel

**LONDON TRADED OPTIONS** LAUS PUTS And Sign Bac Jam Say Jam And types 500 62 83 90 2 8 13 (\*243.) Zattona. (TS) Hanson (\*213 ) 390 19 29 36 18 23 28 420 6 16 23 40 43 46 29 40 52 64 17 20 4 Jane 17 Total Contracts 17 336 Calls 8 616 Pats 8 729 FT-SE Salex Calls 2 768 Pats 1 925 Earls FT-SE Calls 1 721 Pats 817

The FT-Actuaries Share Indices Service

FINSTAT, the Financial Times Statistics Service. offers a unique range of electronic information relating to the FT-Actuaries Share Indices. Your PC can now access all of the actual statistics used in calculating this important series, bringing new accuracy to your analysis. Printed details are also available.

For further information contact FINSTAT on 071-925 2323

#### **UK COMPANY NEWS**

# **BAA** in line with City -expectations at £247m

By Paul Betts, Aerospace Correspondent

BAA, the former British Airports Authority, reported yesterday a 3.5 per cent decline in pre-tax profits for its financial year ended March 1991, much in line with City expecta-

Pre-tax profits totalled £247m compared with £256m the year before. City analysts had forecast pre-tax profits in the range of £240m £250m. The decline reflected a £36.7m writedown on the value

of BAA's property portfolio, as well as the difficult trading conditions in the first quarter of this year when the combina-ution of the Gulf crisis and the reconomic recession caused a raining in passenger traffic at

n to repl

1 Athens

and season of the season of th

And the second

ST 2 .. 2 222

W 2 222 2 3

s - war m;

Sales Barrier

The Francisco

A Company

2 3 A WHILE

Chapter 1

A STATE OF THE STATE OF

Settam Sam.

a leave (and

e chi

the company's airports.

However, BAA said traffic twas now recovering and was "cautiously optimistic" of a traffic growth elevels there this year.

Group revenues rose by 12

per cent to £834m from £747m
in the previous financial year.

viPre-tax profits before property provisions rose by 11 per cent from £256m to £284m, reflecting what the company called the underlying strength of its core airports business.

Earnings per share increased by 3 per cent to 37 to company by 2 per cent to 37.8p compared with 37.2p for 1990 before an exceptional tax credit. Directors declared a final dividend



Brian Smith: to succeed Sir Norman Payne as chairman

of 7.75p a share making a total of 13p for the year, a 13 per cent increase on last year's

Passenger volume at BAA airports rose by 0.2 per cent to a record 72m in the latest financial year.

The group's capital expendi-ture totalled £502.6m in the latest financial year, including £384.6m for its core airport sub-

Capital expenditure is expected to be much lower in the current year but the company faces huge future capital investment commitments, including the £2bn construction cost of the new terminal at Heathrow airport. A plan-ning inquiry on the new Heath-row terminal is expected to be launched next year.

hined a 38 per cent increase in profits with such a bullish

statement about current trad-

ing? The group may have been lucky in the sudden concern

#### **Brent** Share price (pence) Walker bondholders accept proposals By Maggle Urry

signed an agreement accepting the proposals put to them under the group's refinancing

Some of the bondholders

an agreement with the com-

£1.3bn by the company, to the restructuring by the weekend. Meetings with shareholders would follow in a few weeks

Brent Walker has been ler

BRENT WALKER shares rose 6p yesterday to 35p as the lei-sure group's bondholders

1991

The company also faced higher security and safety charges in its latest financial year. These rose by 19 per cent to £114.9m.

1990

The UK government's recent decision to abolish the London air traffic distribution rules was expected to increase passenger volume at Heathrow airport by an additional Im passengers this year, according to Sir John Egan, BAA chief

executive.
Gatwick, he added, was still recovering from the collapse of Air Europe earlier this year, while growth at the new Stansted airport terminal com-plex, opened this year, was expected to be slower than originally anticipated. However, Stansted received

an encouraging boost yester-day with the announcement that United Airlines of the US had asked the Washington authorities for approval to fly daily non-stop services from Chicago to London's newest

220m of working capital it needed urgently by its 47 main banks. They have also been asked for another 250m of short term finance.
The 47 banks which lent directly to Brent Walker are expected to agree the deal, £250m of the £970m owed to

asset sales.

them into equity, while taking an 11.5 per cent interest rate on the rest, with the possibility that some of the interest will be rolled up in capital or converted into preference This week Brent Walker is meeting the dozen banks which lent to William Hill. the bookmaking chain which was acquired for £685m in 1989 and was originally financed

off Brent Walker's balance sheet. There is some overlap between the 47 banks and the William Hill group of lenders. The William Hill banks, which are owed £350m, are

# Volex down 41% to £4.16m after grim second half

By Andrew Bolger

THE DISTRESSED state of the UK's housebuilding and car markets were blamed by Volex Group, the manufacturer of wiring systems and electrical accessories, for a 41 per cent drop in pre-tax profits to 24.18m in the year to March 31. Mr Peter Frost, chairman, said the group started at low activity levels and deteriorated

ressed.
Because of increased volumes and increased competitive pressures, the gross profit margin fell by 3.1 percentage

even further as the year prog-

who invested £101.9m in the convertible bonds issued last November, had felt initially that the offer made to them was not good enough. Last week the bondholders came to points to 12.2 per cent.
Mr Frost said: "The present trading conditions are anticipated to continue well into the pany and its bankers, and this deal was signed yesterday. They had also agreed to current year. Whilst sales levels are not now showing any deterioration from the another week's delay on the first interest payment on the bonds, originally due on May depressed levels of the second half of last year, we are not yet The hope now is that the group, which has been in financial difficulty since last autumn, will obtain the agreement of its bankers, owed

nail of last year, we are not yet seeing any real sign of economic recovery taking place."

Turnover fell from £103.18m to £97.35m and earnings per share dropped from 31.6p to 17.9p. Nevertheless the final dividend was held at 10.5p to maintain the total nevertheless. maintain the total payout at

17p.
The UK recession had affected all divisions, particu-

larly wiring systems and acces-

However, the group said Pencon, which makes mould-ed-on plugs and connectors, managed to offset the fall in its retail markets by a 52 per cent increase in exports to mainland Europe, the Far Rast and

the US.

The smallest division, Raydex, which makes communications and other specialist cables, had quickly integrated the business of Fothergill Cables, which was acquired in December for \$2.7m. As a result of this acquisition, group gearing increased by 3 percentage points to 16.7 per cent.

• COMMENT

Volex had already made pretax profits of £3.28m in the six months to September, so its second half was truly grim, with cuts in production at Rover and Jaguar hitting the automotive wiring business particularly hard. However, Volex maintained its reputation with the institutions as yield stock by maintaining the only just covered dividend. That does not seem unreasonable, given the strength of the balance sheet and hopes that

**Volex Group** 

the group's main markets must recover eventually - even if there are no signs of upturn yet. Forecast profits of £4m next year put the shares, down 6p at 274p yesterday, on a pro-spective price/earnings ratio of 16.4. The multiple is less important than the prospective yield of 8.3 per cent, but man-agement and analysts would like Volex to decrease its dependence on the automotive side and continue moving towards the higher-margin niches of computer plugs and cables.

# Seton shares jump on 38% profits rise

SHARES in Seton Healthcare r Group jumped 13p to 183p yes-i terday after the company, awhich came to the market last July, reported a 38 per cent coincrease in pre-tax profits to 5. £3.01m in the year to February 

Turnover reached £30.5m, up 12 per cent on the 1989-90 pro forma figures, while earnings o sper share rose by 17 per cent to 12.5p. A final dividend of 3.3p gives a total of 3.7p equivalent

e ito 4.4p for a full year. inan, said sales to UK hospitals to showed only a marginal sourcease over last year, under the National Health Service. However, sales in the community healthcare market increased significantly and this meant satisfactory growth was achieved in total UK sales.

Sales to the European hospi-tal market were lower than in the previous year, but Mr Stoller said the recent level of European sales gave him confidence that growth would be

sure division reported very good increases in both turnover and pre-tax profit for the year. Sales of its football equipment range had been particularly strong, and had been helped by the Fifa ruling making the wearing of shinguards compulsory at all levels of foot-

O COMMENT resumed this year. Seton said its sport and lei-Seton pleased the market and analysis with these results, which were ahead of expectations. How many companies in the current climate have com-

Sales and profits of the

group's profits comes from the healthcare division are roughly much harder market of selling to the NHS, to which it is the five times those of sports and leisure. Group gearing at the year-end was 31 per cent. Mr Stoller added: "Trading second biggest bandage sup-plier after Smith & Nephew, It in the early part of the new also seems poised to exploit the quality brands it has bought since flotation, such as Transyear shows a substantial improvement over the same vasin and Lloyd's Cream for muscular pain relief from Reckitt & Colman. Forecast

profits of £4.5m put the shares on a prospective multiple of 12.2 – still a slight discount to the market. That seems undemanding, even despite the increase since flotation, but further advances may be restricted by lack of liquidity - directors still hold about 30 lucky in the sudden concern per cent of the shares, and for footballer's shins shown by Fifa, but the bulk of the are likely to sit tight.

#### Hilton hotels hold Ladbroke down to £306m

By David Churchill, Leisure Industries Correspondent

MR CYRIL Stein, chairman of broke Group - including the the Ladbroke Group, yesterday repeated his warning that trad-ing in the Hilton International hotels part of the group had been disappointing in the first half of the current financial

Mr Stein, speaking at the Ladbroke annual general meet-ing held at the Hilton hotel in London's Park Lane, said that the trading pattern for Hilton in the first half of the year in the first half of the year "has been disappointing, with the first quarter dramatically affected by the [Gulf] war".

Although Mr Stein had made a similar warning at the time he announced the company's preliminary results in March, the City reacted nervously and the shares closed down 50 on

the shares closed down 5p on being offered capital repayments as the group makes the day at 263p. In the last financial year, to December 30 1990, the Lad-

Texas Homecare chain and high-street betting shops as well as Hilton hotels outside the US – produced only a slight increase in pre-tax prof-

its from £302.2m to £305.6m. Mr Stein told shareholders yesterday that the signs suggested that demand for hotel accommodation would show "material improvement in the second half of the cur-

in the second hair of the current year.

"With Hilton operating worldwide as it does, I am happy to say that the indications are there," he added. The hotel chain had its highest gray lead of year recognitions. ever level of room reservations made through its central com-puter in May of this year. Mr Stein also said that cost-

cutting in the group "would impact positively on 1992 and the years that follow".

#### Reject Shop edges ahead to £743,000

By John Thornhill

Annual pre-tax profits at Reject Shop, the housewares retailer, edged ahead from £743,000 to £763,000 in the face of the most difficult trading conditions in the compa ny's 18-year history.

Although turnover in the year to March 17 increased by 17 per cent to £20.36m, the company said sales at Christ-mas had fallen from the previous year's levels.

Trading profits grew by 23 per cent to £1.06m but these were pegged back by high interest charges of £299,000 (£121,000).

Earnings per share rose from 4.58p to 4.88p. The board has recommended a final divi-dend of 2.1p which will leave the total pay-out unchanged for the second successive year

# **V**INDUSTRIVÄRDEN

#### **FOUR-MONTH REPORT, JANUARY - APRIL 1991**

Group earnings after financial items and minority interest but before profits on sale of listed stocks were SEK 32M for the period.

It is considered that the 1991 full-year profit, calculated after financial items but before profits on sale of stocks, is expected to be approximately on par with 1990.

At May 31, 1991, the Group's net equity value was estimated at SEK 13,400M or SEK 284 per stock unit an CPN.

At May 31, 1991 the value of Industrivarden's portfolio of listed stocks was SEK 8,300M. Adjusted for acquisitions and sales, this represents an increase from the beginning of the year of 18 percent (general index 27 percent).

#### INDUSTRIVÂRDEN GROUP \*

Group invoicing amounted to SEK 2,627M (2,735). Earnings after financial items and minority interest but before profits on sale of listed stocks and CPN interest amounted to SEK:32M (96). The acquisition in 1990 of the remaining capital stock in AB Nils Dacke and net investments in listed stocks during 1990 and up to end-April 1991 of SEK 439M negatively affected financial income and expenses in the period by around SEK 35M compared with the previous year. Earnings before appropriations and taxes amounted to SEK 85M (213):

Liquid resources including short-term

The balance sheet total increased by reduced by one percentage point to 37 percent

and the adjusted equity ratio - which includes surplus values in listed stocks and real estate held for investment purposes - amounted to 57 percent (55 percent at the beginning of the

#### **FORECAST**

At the AGM in May, the evaluation was made that 1991 Group earnings after financial income and expenses and minority interest but before profit on sales of stocks were expected to be at approximately the same level as in 1990. This evaluation stands with the same provision as before, i.e. that an additional loan-financed extension of the stock portfolio would reduce visible earnings after financial income and

I) As the Group applied quarterly reporting in the previous year, companisons with proforma accounts at April 30. 1990 are made in this Report.

Box 5403, S-114 84 Stockholm, Sweden Telephone +46-8-666 64 00, Telefax +46-8-661 46 28

#### **DIVIDENDS ANNOUNCED** Corres - Total pending for Current Date of ponding for payment payment dividend year 13 2 13.25 6.5 8.03 7 2.2 9 3.7 8.03 0.775 5 0.75 2.1 0.75 3.25 3.15 5.3 1 10.5 3.7 July 31 Oct 9 Oct 1 17

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue. fOn capital increased by rights and/or scquisition issues. SUSM stock, &Scrip option.

BOARD MEETINGS									
The following companies have notified dates of hourd meetings to the Stock Exchange. Such meetings to the Stock Exchange. Such meetings are usually teeld for the purpose of considering dividends. Official indications are not available as to whether the dividends are interies or finals and fine subdividends are interies or finals and fine subdividends are interies or finals and fine subdividents. YODAY Interies. LPA Index, Sherill Hidge, Finals- Chartar Core, Dartmoor Inv. Tet., Melville St. Inv., Remold, Stockard Seiters, Tingley Robor, Wedinian.  PUTTURE DATUES.  Aug. 19 Dorehmet	Scot, American Inv. TRI High Inst. Tet. Please Amber Industrial Berhalty Group Braitinveila Bathafey Group Braitinveila Bathafey HP) Calestonia Invi. Deny Corp. Desson Inst. Platcher King Hogheson Joseph (Lacophid) Norweb Rochnison Ind. Scot, & Marcantible Scot, & Mercantible Scot, Alliance Tet. Sime Foods	July 17 June 24 June 25 June 19 June 20 June 27 June 2							
Low & Boner July 9 Notific Corp June 20	Salt, Western Elec	June 27							

# WALES

The FT proposes to publish this

16 September, 1991. It will be of particular interest to

the 130,000 directors and managers in the UK who read the FT. If you want to reach this important audience, call Clive Radford on 0272 292565. Fax 0272 225974 or write to him at Merchants House, Wapping Road, Bristol BS1 4RW.

Data source: BMRC BusinessmanSurvey 1990

FT SURVEYS

# ARGYLI GROUP: in the rights issue of 158.2m shares, valid acceptances have been announcement of the rights

received in respect of 154.28m, or 97.52 per cent. The balance has been sold in the

CUSSINS PROPERTY: acceptances for its rights issue have been received in respect of 4.76m shares, or 66.74 per cent, of which 1.05m have been taken under irrevocable com-

STYLO MATCHMAKERS International has acquired an 80 per cent interest in Cottage Industries (Equestrian), maker of equestrian accessories, for £1.8m in cash. Included in the purchase is its Maltese subsidiary, Monico.

#### Postipankki Ltd US \$150,000,000

10 per cent. Notes Due 1995

NOTICE IS HEREBY GIVEN to the Noteholders, that in accordance with Clause 4(c) of the Terms and Conditions of the Notes, the Bank will redeem all of the outstanding Notes at their principal amount on the next Interest Payment date, 3rd July, 1991, when interest on the

Notes will cease to accrue. Payment of the principal and interest will be made on or after the Redemption Date at the specified office of any of the Paying Agents listed below against surrender of the Notes together with all

unmatured Coupons attached. Paying Agents
Bankers Trust Company 1 Appold Street Broadgate London EC2A 2HE

Bankers Trust Luxembourg S.A. 14 Boulevard F.D. Roosevelt L-2450 Luxembourg

SF-00007 Helsinki 7 Swiss Bank Corporation CH-4002 Basle

Accrued inverest due 3rd July, 1991 will be paid in the normal manner against presentation of Coupon No. 2, on or after 3rd July, 1991. Bankers Trust Company, London

Postipankki Ltd Unioninkatu 20

#### GLOBAL GOVERNMENT PLUS FUND LIMITED Offer to Purchase

Globel Government Pius Frad Limited has amounced that a total of 206.335 common shares representing approximately 12.23% of its outstanding shares has been tendered promest to the office dated May 7, 1991 and which expired on May 27, 1991 made by the Company to purchase up to 25% of its outstanding streamen therest. Subject to the terms and conditions of the office, the purchase price psyable for each common absent understand and accepted by the Company for psyment will be the net asset value of the Company on June 19, 1991 divided by the total timeher of issued and constanding common shares.

Depositury: Mangari Guaranty Trees Company of New York Brossels Office.

J P Morgan

Notice

#### U.S.\$330,000,000 Skandinaviska Enskilda Banken

Subordinated Floating Rate Notes due 2000 Notice is hereby given that, in accordance with the provisions of the above mentioned Floating Rate Notes, the rate of interest for the six months period from June 17, 1991 to December 17, 1991 has

been fixed at 6.8125% per annum. The interest payable on December 17, 1991 will be U.S. \$173.15 in respect of each Note of U.S. \$5,000.

Banque Internationale à Luxembourg

June 18, 1991

difference between the current

situation and the recession of

1981 - then companies had

continued to invest in informa-

tion technology while today

the information systems department had to take its

share of cuts. He believed that companies

would spend an increasingly large proportion of their com-puting budgets buying in ser-vices, such as facilities man-

CGS is committed to making

Hoskyns' stock it does not own at a price of either 469p or 23

times earnings. Given Mr

Unwin's gloomy assessment of future trading conditions, it

seems the earnings multiple is unlikely to break the 463p bar-

rier. At that price the com-pound annual yield would be about 17 per cent over the

• Companies in niche markets can still show healthy growth.

Electronic Data Processing.

which distributes US made

Mentor computer systems and its own Mentor Merchant soft-

were in the UK and mainland Europe, more than doubled pre-tax profits to £1.87m (1822,000) in the six months to

March 31. Sales were virtually unchanged at 18.65m (18.33m).

tion software for the building and plumbing trades. Earnings per share were

14.69p (7.14p) and the interim dividend is 1.75p (0.775p). Mr Michael Heller, chair-

man, said the full year results would be substantially ahead of the previous year, although he did not expect such a dramatic increase in the second half.

Hoskyns up 5% but

growth record likely

to fall this year

HOSKYNS' RECORD of more than a dozen consecutive years

of growth looks likely to tail

this year as the computing ser-vices business heads into the

worst market conditions in its

The UK-based software and

services group, in which Cap Gemini Sogeti (CGS) of France

has a 70 per cent stake, showed a five per cent growth in pre-tax profits to £8.6m in the first

six months to April 30, com-pared with \$8.2m for the corre-

Turnover, however, slipped from £111.7m to £102.8m as

facilities management con-tracts with the London Residu-ary Body and GEC came to an

Mr Geoffrey Unwin, execu-tive chairman, said he was pleased the company had man-aged to turn in a strong first half performance but warned

that worse was to come: "At

present, there is no sign of an

unturn in the market and it is

unlikely that our profitability in the second half will match that of the first six months".

Hoskyns' share price slipped

2p on the day to close at 358p.

First-half earnings per share edged ahead to 6.4p (6.3p) and

the company is paying an unchanged interim dividend of

Mr Unwin said the company

had reacted rapidly to the change in market conditions.

There had been substantial

restructuring resulting in a net loss of 330 jobs through a mix-ture of redundancies and natu-

ral wastage. The group's direct operations in Australia, where

recession has been particularly strong, have been closed down. Mr Unwin said there was a

sponding period of 1989-90.

U.S.\$500,000,000 Floating Rate Subordinated Loan Participation Certificates due 2000

issued by J.P. Morgan GmbH for the purpose of funding and maintaining a subordinated loan to

The Dai-Ichi Kangyo Bank, Limited (a company incorporated in Jupan)

For the purpose of the Loan Agreement (the "Loan Agreement") dated 31st August, 1990 between The Dai-Ichi Kangyo Bank. Limited (the "Borrower") and J.P. Morgan GmbH (the "Bank") recording the terms of the ten year subordinated loan of U.S.\$500,000,000 made by the Bunk to the Borrower and funded by the Certificates, the Borrower was acting through its London Branch at DKB House, 24 King William Street, London EC4R 9DB (the "Lordon Branch"). By a supplemental loan agreement dated 11th June, 1991 (the "Supplemental Loan Agreement"), between the Bank, the Borrower and The Law Debenture Trust Corporation p.l.c. (the "Trustee") the Hong Kong Branch of the Borrower situate at 31st Floor, Glourester Timer, 11 Petiler Street, Central, Hong Kong has been substituted for its London Branch for all purposes under the Loan Agreement, and all references to the Loan Agreement in the Trust Deed dated 10th September, 1990 between the Bank and the Trustee constituting the Certificates have been

replaced by references to the Loan Agreement as amended by the

mental Loan Agreement. This Notice is given pursuant to Condition 14 of the Certificates J.P. Morgan GmbH. Mainzer Landetraser 16. 6000 Frankfurt am Main I. Federal Republic of German

#### Notice to the Holders of Yamazen Co., Ltd.

(the "Company") Warrants to subscribe for shares of Common Stock of the Company

U.S. \$100,000,000 4% per cent. Guaranteed Bonds due 1993

In respect of the above Warrants, notice is hereby given as follows: On 4th June, 1991, the Board of Directors of the Company resolved to issue Yamazen Co., Ltd. DM140,000.000 42: per cent. Deutsche Mark Bonds of 1991/1996 with Warrants to subscribe for shares of the Company at the exercise price of Yen 1,159 which was less than the current market price (Yen 1,253.7) per share of the Company as calculated pursuant to the provisions of the Instrument dated 27th April, 1989 made by the Company ("Instrument").

As a result of the above issue of the Bonds with Warrants, the Subscription Price (as defined in the Instrument) of the above Warrants per share has been adjusted, pursuant to the provisions of Clause 3 of the Instrument, as follows:

Current Subscription Price per share: Adjusted Subscription Price per share:

The said adjustment of the Subscription Price became effective as from 14th June, 1991 (Japan time).

YAMAZEN CO., LTD. 3-16, Itachibori 2-chome Nishi-ku, Osaka, Japan By: The Daiwa Bank, Limited as Principal Paying Agent

18th June, 1991

MERCURY SELECTED TRUST (SICAV) 14, rue Léon Thyes, L-2636 Luxembou R.C. Luxembourg: 8.6317

PAYMENT OF DIVIDEND Notice is hereby given to shareholders that, following a resolution passed at the Angual General Meeting of Shareholders held in Luxembourg on 17th June, 1991, final dividends for the year 1990 of DM0.35 per share for the Deutschmark Global Bond Fund, USS0.41 per share for the Dollar Global Bond Fund, USS0.55 per share for the Global Managed Currency Fund, USS0.55 per share for the Yen Global Bond Fund, USS0.35 per share for the Yen Global Bond Fund, USS0.35 per share for the Yen Global Bond Fund, USS0.35 per share for the Yen Global Bond Fund, USS0.35 per share for the Yen Global Bond Fund, USS0.30 per share for the Yen International Equity Fund, have been declared, ex-dividend date being 18th June, 1991.

These dividends will be paid on 27th June, 1991 to Registered Shat of the respective Funds who were on the register at 17th June, 1991.

of the respective Funds who were on the register at 17th June, 1991.

These dividends will be paid from 27th June, 1991 to Bearer Shareholders of the respective Funds against presentation of Coupon No. 2 for the Deutschmark Global Bond Fund, Coupon No. 7 for the Dollar Global Bond Fund, Coupon No. 6 for the Global Managed Currency Fund, Coupon No. 10 for the Yen Global Bond Fund, Coupon No. 8 for the Yen Global Equity Fund and Coupon No.3 for the Yen International Equity Fund at any of the Company's Paying Agents including its Paying Agent in the United Kingdom:

S.G. WARBURG & CO. LTD. Paying Agency, 2 Finsbury Avenue, LONDON EC2M 2PA from whom claim forms can be obtained. United Kingdom tax will be dec

Final dividends will not be paid on the remaining Funds. MERCURY SELECTED TRUST (SICAV) 18th June, 1991

#### SCOTTISH ELECTRICITY HOTLINE

**HYDRO-ELECTRIC AND** SCOTTISH POWER

Real-time share prices (from 2.30 pm)

0898 222 312

BT Citycall Ltd London N1 5AA Citycall is a service mark of BT Cost 34p/cheap; 45p/other times FIMBRA

#### High interest rates with Jyske Bank

(Interest rates as at 02 April 91)								
Currency	3 months' ratios from USD 4,500	Fluid Term Depost from USD 18,000 3-web-sector						
	عدم علده اسمواط	interest rate pag						
GBP, England	10	11						
ESB, Spain	11 ½	11 1/4						
SEK, Sweden	9 <sup>3</sup> /4	10 3/4						
ECU	(1)	8 <sup>1</sup> /4						

On USD 89,000 you will earn 0.50% extra interest 14 currencies to choose from

\*No Danish taxes for non-residents in Denmark Professional cost-effective

#### YORKSHIRE BUILDING SOCIETY £65,000,000 Floating Rate Notes

Due 1994 (from and including the interest payment date falling in August 1991 the Notes will be consolidated with the £100,000,000 Floating Rate Notes due 1994 of Yorkshire Building Society issued on 10th February 1989 so as to form a single series therewith.)

Notice is hereby given that for the initial interest period from (and including) 14th June 1991 to (but excluding) 14th August 1991 the Notes will carry a rate of interest of 11.44375 per cent.

expected to be 14th August 1991 and the amount payable per £50,000 nominal will be £956.26. **Hambros Bank Limited** 

Agent Bank

CREDIT COMMERCIAL DR FRANCE Japanese Yan 5,800,000,000 9 per cent. NIKKEI-LINKED NOTES DUE 1991 Notice is hereby given that the Redemption Price of the issue referred to above has been fixed at 44,440648968 per cent of the Nomi-nal Amount and that the redemption

amount will be Japanese Yen 4.44.065 per Note payable on 24th NIKKO BANK (LUXEMBOURG) S.A. Fiscal and Calcabation Agent

#### **UK COMPANY NEWS**

# Erring on the, er, conservative side

Clare Pearson investigates the gaps - up to 20% - between the regional electricity companies' forecast and actual profits figures

England and Wales are poised this week to swell the ranks of privatised companies producing bumper increases in

profits.
Their reporting season kicks off tomorrow when East Midlands Electricity is expected to report historic pro forma pre-tax profits for the year to March 31 of £90m or more. This compares with the £76.3m shown in November's prospectus for the privatisation flota-

Mr Nigel Burton, analyst at SG Warburg Securities, expects the companies to announce pre-tax profits which, on average, will be 15-20 per cent higher than those shown in the prospectus. (There was only one, all the companies had a

They will also be able to be confident about the current year when, says Mr Burton, operating profits are likely to rise by some 40 per cent. These results will, however,

raise no eyebrows among those familiar with the way the profit forecasts were made in the prospectus. To explain this, one has to delve a little into the peculiarities of the way the

companies were privatised.
The Recs derive most of their profits from the stable business of charging for the use of their wires. But they are also involved in the final supply of electricity to customers - highly volatile because it has very large costs and revenues, but small margins.

When the companies were writing the prospectus in the early autumn, they knew what prices they had got for supply

THE long-running dispute over the Chelsea Football Club's

Stamford Bridge ground came a step closer to resolution yes-terday when the High Court

ruled that Chelsea's option to buy the ground related to its value in August 1988.

Mr Ken Bates, Chelsea's chairman, had argued that the

price of the 11.7-acre site in Fulham Road should be its present value, which would be

much less than its value three

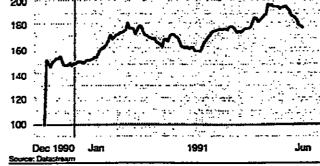
years ago. Mr John Duggan, chairman

of Cabra Estates which owns the ground, said that the High Court's decision made the rede-

velopment of the site more likely, as Chelsea would be unlikely to pay the 1988 price.

By Vanessa Houlder, Property Correspondent

HE 12 regional electricity company Share Package Share price relative to the FT-A All-Share Index



earlier in the year. But they did not know how the pool, the new wholesale electricity market, would work during a winter because it had not been in existence for one. Additionally. the Gulf crisis had just sent oil

prices, a large component of their costs, shooting up. Accordingly, in making their profit forecasts they erred on the conservative side and, as it turned out, were over-pessimistic. However, each company clearly flagged that it was doing so in the prospectus by showing additionally how much it could have made in the supply business, had it achieved the margin allowable under the regulatory regime for that number of units of

electricity sold. Because of this conservatism, dividend cover on the prospectus forecasts was ouite low, at below 2 times in many cases. It will clearly be better in the reported figures. There was another distortion in the profits forecasts, affecting the distribution side. This arose

they have ended the year with significantly lower gearing than was expected at privatisa-

in several cases, he says, capital expenditure was below the level forecast in the prospectus either because those estimates were inflated, or because the recession led to deferrals, or because of better

management control.

Despite the rosy profits picture, there is no panic in the City that the industry's regulator will crack down on the companies, as the water regulator has threatened to do.

For one thing, in the case of water, the point of regulation

is to ensure the companies have enough money to carry out their big capital expenditure programmes.

In electricity, it is a question of acceptable rates of return and Mr Rowland says he expects Professor Stephen Lit-

tlechild, the electricity regulator to wait to see how the new system develops before he starts tampering with the cur-

rent regime.

The Recs are, however, thought to be mindful of the adverse publicity the water companies have attracted by pushing up dividends. That, as well as the low cover on the basis of their forecasts, means they are expected to keep divi-dends to the prospectus level. There are, however, hopes in some quarters that South

It is enough to make one wonder whether the results announcements which will be Wales - last to report on July 10 - may break ranks and slightly exceed its dividend forecast. With Welsh Water sitting on an unwelcome stake of nearly 10 per cent, it has every incentive to keep its share

#### coming out over the next few weeks will be totally opaque to the layman. However, analysts expect that some underlying features will emerge. Warburg's Mr Burton highlights the compa-nies' balance sheets: he says

Cabra battle over ground offer to fund purchase "If he [Mr Bates] fails to complete we will repossess the site," he said, although he added it was probably not his intention to evict a football club in mid season.

The High Court also confirmed the validity of the appointment of Mr William Wells, a partner in Chesterton,

themselves said at the time.

was an over-optimistic govern-

Prices to most customers are

indexed to inflation rates as at

October. Last year, the compa-nies had imposed upon them by the government a forecast

of 6 per cent while in fact infla-

tion turned out to be 10.9 per

But the regulatory regime allows them to make up money lost through misforecasting in

one year by increasing charges in the next. That is the reason

charges were increased by, on

average, more than 10 per cent this April – a move which will

swell profits this year.

ment inflation estimate.

industry and provides data pro-cessing services. ICD currently undertakes little data process ing and sub-contracts the vast majority of such work, spend-ing over £2m on data process-ing in its last financial

ICD has been a customer of Lindor since 1988 and believes that the purchase will result in savings and benefits once its increasing data processing requirements are handled

The initial consideration will be satisfied by a vendor placing of 2.21m new ordinary shares. A further amount of up to £250,000, to be satisfied by is dependent on future Lime-

were virtually static at £506,000

pre-tax for the six months to

March 31. Last time the com-

Turnover was down at £5.23m (£5.31m) and earnings

per share came out slightly

The US-based Florida Treatt

is taking longer than expected to become profitable although

the principal operating subsid-

iary, RC Treatt, turned in higher profits than last time.

jumps 50% to £1.4m

Cranswick Mill, the grain, pig

feed, pig-rearing and pork products company, lifted tax-able profits by just under 50 per cent in the year to March 31.

USM-quoted group made

£1.38m pre-tax on turnover of £75.04m (£64.64m), a rise of 16

Mr Richard Marginson, chairman, said that all of the group's activities had per-

formed well and that trading in

the current year continued to be encouraging.

Gearing was low and, at the year-end, borrowings were £856,000 and had fallen since.

Earnings improved to 13.4p (8.8p) and the board has recom-

mended raising the final dividend to 4.5p (3.7p) for a 6.5p (5.55p) total.

ASIT raises stake

in Lancs & London

Anglo Scandinavian Investment Trust (ASIT) has increased its stake in Lanca-

shire & London Investment

Trust to 38.9 per cent as the hid

battie for the small company fund intensifies, writes Philip

Some of the purchases must

have been from shareholders who had already accepted the £8.2m ASIT offer, although

ASIT's advisers would not say

The last time that ASIT

revealed acceptances, the fig-ure was 11.87 per cent; had the

acceptances figure remained constant, ASIT would have

been able to claim victory last-

Friday with over 50 per cent of

Lancs & London. It did not do

how many.

The interim dividend is

pany made £502,000.

thead at 3.49p (3.46p).

Cranswick Mill

# Court decides in Chelsea/ | ICD placing and open

INTERNATIONAL Commumication & Data, the business services group, yesterday announced the acquisition of Limebrook Computers, a data processing company, and also a placing and open offer of 13.79m new ordinary shares at 14.25p per share, to raise about £1.84m, net of

expenses.
ICD said proceeds of the placing and offer would meet the initial consideration of £315,000 and repayment of £985,000 of various loans outstanding from Limebrook, and the provision of net working capital of about £540,000 for ICD.

Limebrook, through its trading subsidiary Lindor, is a major supplier of computer ser-

ating profits would be "very disappointing"

#### Gardner £4m cash call and warns on first half

DC GARDNER, which has interests in education and vocational training businesses ervices and management consultancy, is proposing to raise \$4.1m net by way of a one-for-two rights issue of 9.13m

shares at 50p per share. The directors said that, with the current weakness in its markets and its seasonal trad-ing pattern, first-half 1991 oper-

able to recommend a total divi-dend for 1991 of 3.75p (4.5p). Since the company has insuf-ficient authorised but unissued

share capital to implement the issue, it needs the approval of shareholders, which will be sought at an extraordinary meeting on July I.
The issue has been fully underwritten by Henry Ans-

bacher and Co.

# GLOBAL GOVERNMENT PLUS FUND LIMITED

Notice in hereby given to the obserbolders that the Bosef of Directors of GLOSAL GOVERNAGENT PLUS FUND LIMITED has chared a quarterly divident of USSO, 135-per situes payable over the next quarter on a monthly besid to July. August and September, 1991. This represents an increase of USSO,00 per situes payable over the

The recordity dividend reflecting the quartedy declaration will be USSR.046 per above to be paid on July 31, 1991 to abareholders of record at July 16, 1991, on August 30, 1991 to shareholders of record at August 15, 1991 and on September 30, 1991 to

Councils murthers 36 to 36 of the International Decoulture Receive will the payable in USD on the following dates and at the rates indicated below, not of the depository's fee, at the following offices of Morgan Gueranty Taust Company of New

IDR CPN NB RECORD DATE PAYMENT DATE DIV. per IDR 100 she 16/06/01 38 160091 07/10/91

J P Morgan

#### THE MALAYSIA CAPITAL FUND LIMITED International Depositary Receipts issued by

Morgan Guaranty Trust Company of New York Notice to Holders of Beases Watteness to Subscribe for stores of USS 1300 The Malaysia Capital Food Limited ("the Company").

The Manyes Capual Found Lamons ( nor Company ).

Notice is beenly given that at an adjourned meeting of holders of the bound warrants of the company to subscribe for stress in the Company ("Warrant"), held in 11th Janes 1991 or Extraordinary Resolution was duly passed sancticeing such architectures in the terms and conditions cadenced on the Warrants and to the lantonessent-conditioning the Warrants dated 5th March, 1991 (the "Warrant Instrument"), as susy be accounty in extend the termination of the Sobscription Pariod of the Warrants (as defined in the Warrant Instrument) from 31st March, 1992 to 31st March, 1994.

The Warrent Instrument will be medified accordingly and the Warrent will a countries be used 31st March, 1994. The existing Warrent Cartificator will sensit valid for all purposes.

By Onier of the Board Pierron, Heldring and Pierron (Cayne Depositary : Morgae Gutzarty Trust Company of New York.

Brossests Office

#### **EQUIFUND - WRIGHT NATIONAL EQUITY FUNDS** 14, nie Akkingen, Laneabo R.C. No 932 557 him Company

Shareholders are advised that pressure to a recolution of the Board of Uliceboa of the Cliopers of 7th June, 1991, it has been resolved to computerity reduces all the chance excessed in the EQUIFUND - NORDIC NATIONAL EQUITY SUB-FUND (THE "Sub-Fund?) From 7th June, 1991 convents no shares will be insued in, or may be tendered for sad

Pursuant to the Articles of incorporation, the redemption will be made at the lest aunit value applicable on the day when all the assets attributable to the Sub-Frand shall been realized. Payments of indemption proceeds will be made from 21 June, 1901 at the cifices of the Psylin Agent aut out below against delivery of the relevant belief conflicties with all coupons attached a

Panque Gánárale du Listenbong 14, rue Aldringen

L-1118 Lummbours The offering of shares in the other Sub-Funds of the Company is not affected by this redestion. Please consult the Company at its registered office or the local representative of the Companies, the Sub-Funds currently in Super.

**NEWS DIGEST** 

#### Harrison **Industries falls 75%**

THE RECESSION and the Gulf war combined to leave annual pre-tax profits of Harrison Industries down by 75 per cent at £732,000, against £2.91m. The result was also affected by interest charges up from £397,000 to £905,000 because of acquisitions, writes Nigel Clark.

The shares lost 5p on the day to close at 63p. Mr Ken Harrison, chairman, said that in the 12 months to the end of March 1991 the castings division had a poor year. The Industrial doors division was affected by pressure on

margins and low orders, although the French company had a good year. Domestic products had a sat-isfactory year and power trans-mission held its market posi-

tion and produced excellent Contracts in the Gulf had had to be terminated at

considerable cost, Mr Harrison Annstar Group was bought in June 1990 for £570,000 cash followed by Henderson Doors in March 1991 for a maximum

film cash. These plus new plant and buildings increased gearing at the end of the period to 43 per cent. However Mr Harrison said that there were several proper-ties for disposal which should

produce between £2m and 23m when the market was Turnover for the period was £44.73m (£44.12m) for operating profits of £1.78m (£3.31m) There was an exceptional charge of £147,000 relating to

contract provisions and reloca-

tion costs. Below the line there was an extraordinary charge this time of £151,000 compared with a credit last time of £308,000. Earnings per share were down from 15.5p to 4p and a reduced final dividend of 1.25p (5p) is recommended making a total for the year of 3.25p com-

£17.8m purchase by ASW

pared with 7.3p.

ASW Holdings, Cardiff-based steel and wire group is paying

£17.8m for Bird Fragmentation, which operates scrap plants at five sites in England and Wales. A further £9m could become payable dependent on profits for the next three

years.
Of the £17.8m initial payment £7.3m relates to the Bird shares and the balance covers the discharging of intra-group debt between Fragmentation and the Bird Group. Fixed assets and working

the London firm of surveyors.

who will now determine what

the value of the ground was in

August 1988. Savills, another firm of surveyors, valued it at between \$40m and \$60m in

July that year. Cabra Estates has been in

dispute with Chelsea's chair-

man virtually since it acquired the ground from Marler Estates in April 1989.

capital of Bird Fragmentation at completion will be about £10.5m. In its last financial year it reported operating profits of £4.8m. It has been a major supplier to ASW for

#### Rock refinancing after £1.23m loss

Rock, industrial and motor parts distributor, is to change its name to Caverdale Group and embark on a refinancing programme via a £627,000 underwritten rights issue and subscription by new investors for £500,000 secured convertible

loan stock. The aggregate proceeds of 1912,000 after expenses will be used to reduce borrowings and ensure the financial stability of the group.

The name change and refi-nancing were announced together with Rock's results for the year ended December The company made a pre-tax loss of £857,000 against a profit of £402,000, on turnover up

from £8.91m to £11.07m. The total loss after provisions was Losses per share came out at 6.93p, compared with earnings of 3.35p and the dividend pay-

ment has been passed. There was a payment of 0.75p last The company has sold three subsidiaries which were incur-ring losses and is negotiating the sale of Kingston Cutting

#### Proteus loses £1.5m since flotation

Losses before tax of Proteus International, a specialist in advanced technology and com-puter-aided drug design, amounted to £1.5m in its first year-end result since flotation on the USM at the end of May last year. Turnover in the period, from

May 14 1990 to March 31 1991, was just £7,000 and research and administrative expenses totalled £1.66m. The pre-tax loss was struck after net interest receivable of £155,000. Losses per share came out at

Mr Kevin Gilmore, the chairman, said that the company's net cash position remained strong, with balances of £2.1m at the end of the period. With drug manufacturers'

margins under pressure, the need to bring new products onto the market quickly was increasing the demand for computational technology, he added.

#### Davenport Knitwear recovers to £0.94m

Davenport Knitwear reported a profit recovery in 1990 with taxable profits 56 per cent ahead at £944,000, compared with £606,000. The proposed single final dividend is main-

single than dividend is man-tained at 8.03p.

The result for this West Mid-lands-based company was achieved on turnover of 26.76m (66.27m), an increase of 8 per cent. After tax of £320,000, against £215,000, earnings per share came out at 35.98p

#### Bertam hit by poor trading conditions

Poor trading conditions brought about by the weakness of palm oil and rubber prices and the stronger pound against the Malaysian ringgit, led to a fall in pre-tax profits at Bertam Holdings, the plantations oper-ator, from £1.41m to £810,000 in

However, extraordinary gains of £621,000 - related both to compulsory acquisitions of estate land and to property disposals by associated companies - meant after-tax profits came out ahead at £1.15m (£916,000). Earnings per 10p share were 2.62p (4.58p) before extraordinaries, or 5.73p (4.58p) after. The proposed single final divi-

#### Florida operation holds back Treatt

dend has been cut from 2.2p to

Half-year profits at Treatt, the USM-quoted manufacturer of essential oils and food flavours,

5% by rd likely ear ear

ash call rst half

THELANGHAM

For reservations call your travel agent, any Hilton hotel, Hilton Reservations Worldwide (081) 780 1155 or contact The Langham Hilton direct (071) 636 1000.

A Ladbroke Group Company











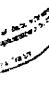


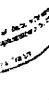


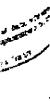


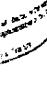






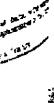
















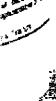
















#### **COMMODITIES AND AGRICULTURE**

# Uranium deal puts off mine closure to 1996

By Bernard Simon in Toronto

BARRING a sharp recovery in uranium prices, the last of northern Ontario's uranium mines is scheduled to close in 1996 according to a revised contract between Rio Algom, RTZ's Canadian subsidiary, and Ontario Hydro, North America's second biggest power utility which relies on nuclear power for 62 per cent

of its generating capacity.

The contract, which was originally due to run until 2020, could have been cancelled as early as 1993. Ontario Hydro has agreed to postpone termi-nation in exchange for lower prices in the remaining years of the contract.

The new contract price has not been disclosed, but is understood to be about C\$35 per pound, still more than double current market prices. The contract stipulates that prices must at least cover the suppli-

The provincial government asked Ontario Hydro to continue deliveries from Rio Algom for as long as possible to soften the blow to the local community of Elliot Lake. Rio Algom and Denison Mines are scheduled to close

all their other Elliot Lake uranium mines by the end of next new contracts by 1993-94.

Rio Algom has been testing at its own exploration properties in Wyoming. Rio Algom, which is 51 per cent owned by RTZ, has also put its extensive metals distribution business in North America and Australasia on the block. Besides those with Rio Algom and Denison, Ontario Hydro has two con-tracts with Saskatchewan suppliers, which expire in 1993. An official for the utility said that "we will be looking to put in

underground operations which

have been unable to compete

with lower-cost suppliers in

Saskatchewan and Australia.

By the terms of the agree-ment between Rio Algom and

Ontario Hydro, output from the Stanleigh mine will increase to 1.8m lbs a year

from 12m lbs, thereby bringing down unit costs. Ontario Hydro is the mine's only cus-

tomer. Rio Algom is increas-

ingly concentrating on low-cost

operations in other parts of North America. Earlier this month, it offered US\$41m to

acquire Uranium Resources

which has interests in Texas

and Wyoming.
Uranium Resources is a pioneer of the so-called in-situ

leach extraction process, which

# Peru's mines working in spite of strike plea

By Sally Bowen in Lima

PERUVIAN miners appear to have massively rejected an indefinite strike call by Peru's National Federation of Miners and Metalworkers (FETIMMP). The National Mining Society (SNM) reported that most mines were working normally

US-owned Southern Peru Copper Corporation, Peru's major copper producer, reported business as usual.Only two small production units at state-owned Cen-tromin - San Cristobal and sapalca - continued to be partially paralysed from last

week's stoppage.
Samuel Zegarra, general secretary of FETIMMP, had called on all 80,000 workers affiliated to the Federation to stop work from midnight on Sunday. In an all-out attack on the policies of the Fujimori government, the Federation is demanding the repeal of certain recentlypromulgated decrees which undermine Peru's labour stability laws. It is also returning to a favourite theme - the demand for a single negotiating platform for the entire mining industry. Mr Zegarra denounced on

Saturday the killing of mining union leader Juan Deza Meza a week ago. He had been assassinated shortly after taking part in the stoppage at Casapaica.

"But miners are not just vic-

tims of repression," said Mr Zegarra. "Five thousand mining workers have already lost their jobs – for this reason we are opposing privatisation." An SNM spokesman accused the FETIMMP of acting on purely political grounds: the strike call included demands for the rejection of the recently-signed bilateral anti-drug

accord with the United States and the non-payment of Peru's "But in the current economic situation, themes like this don't carry much weight," said the SNM spokesman. "Mining workers realise that a strike now could finish off some

mines entirely."
The Labour Ministry has

## **Platinum** price fall perplexes analysts

By Kenneth Gooding, Mining Correspondent

PLATINUM'S PRICE Is likely to languish near current levels for two months or so, even though there is no fundamental reason for it to be so low, analysts suggested yesterday. The precious metal recov-

ered slightly yesterday after dropping to five-year lows in New York on Friday where its price was briefly at a discount to gold's for the first time since November 5, 1985.

"It's a bit grim, to say the east," was the reaction of Mr Neil Carson, general manager, marketing, for Johnson Matthey, the world's biggest platinum marketing group.
Platinum's price fell by \$8 a troy ounce in London on Fri-

day and lost \$15 last week to close at \$368 an ounce. Yesterday the price ended at \$370 while gold closed in London at \$367.60, up 65 cents an ounce. Mr Carson insisted "there was no solid explanation" for platinum's collapse.

Mr Carson suggested that platinum might have weakened because European ministers failed to approve regula-tions which would have further tightened car emission regulations. "But there will be plenty of opportunities for them to do so before the due

In any event, he said, before then the platinum market will have to supply an extra 300,000 ounces a year to European car makers if they are to meet existing regulations.

Prices had also been affected by rumours of extra sales from the Soviet Union. Johnson Matthey had been assured Soviet platinum sales so far in 1991 had been less than last year's. The Soviets had made some large deliveries to the west almost certainly for less. ost certainly for leasing, said Mr Carson.

Platinum plummeted on May 30 by nearly \$30 to \$360 an ounce in Tokyo after Nis-san, Japan's second-largest automotive group, said that it had developed a palladium car catalyst which was cheaper to produce than those using platinum and rhodium. Nissan later sought to play down the importance of this revelation and the platinum price recovered slightly. Mr Andy Smith, analyst with the Union Bank of Switzerland, pointed out last night that platinum's price had been weakening since Ford made a similar announcement – about developing a palladium catalyst – in December, 1988.

COCOA - London FOX

Previous High/Los

environmental controls on cars, car catalysts provide the biggest market for platinum.

bags in April: 1.5m lower than tiate the return of export quoing the previous comparable month. In the coffee year so reports from Nairobi. declared the strike action ille-

# Cocoa tree's golden fruit loses its lustre

Victoria Griffith outlines the natural and commercial factors behind the stripping of Brazil's plantations

THE RASPING of electric saws intermittently pierces the quiet of Bahia's cocoa plantations these days.

The sound is accentuated at

intervals by the crack of a tree hitting the ground. At the side of a road running through one of the farms, wood has been stacked up for transport to the

With cocoa prices falling to their lowest level in years, some of Brazil's cocoa farmers have decided that the plant's wood is worth more than the fruit it produces.

They are clearing out the plantations cutting down both the cocoa plants and the tall shady trees which protect

Visiting the cocoa region of Bahia today, it's hard to believe that the country's bestselling novelist Jorge Amado once described the plant as a "tree that bears a golden-coloured fruit worth more than gold itself."

With today's farmers unable or unwilling to invest in the product. Bahia's cocoa orchards have fallen into a sorry state of neglect.

Black pod, an old fungal enemy of the cocoa plant, is running rampant as plantation owners say they can no longer

afford protective pesticide. "Witch's broom" fungus has entered the area from the Amathousands of trees. Moss covers the trees' trunks and branches, reducing their

productivity. A reduction in the cobra pop-ulation has produced rat infestations on many plantations, where the rodents prey on the fruits. Farmers say putting out rat poison is too expensive.

With prices so low, planta-tion owners have reduced the number of workers employed to care for the cocoa. Some 250,000 cocoa workers are out of work in Bahia.

Bahian cocoa farmers had it too good for too long," complained a manager at one of the cocoa processing plants in the region. "In the past, cocoa prices were so high that even a poorly managed farm produced so much money that no one cared. Now, that will have to

"Cocoa farmers' lack of concern for their plantations means the sector is far more disorganised than other agricultural sectors in Brazil," said Paulo Adami de Sa, assistant to the director of the cocoa company Itaisa. "And that lack of organisation has left us completely incapable of coping with a disease like witch's

Most of the plantations' current owners are more heirs than farmers. Living in distant cities, they are hopelessly remote from their plantations. My cocoa plantation used to make more money in a year than the president of the US," bragged cocoa farmer Luiz

Paulo Esteves Leao, as he waited for his flight back to Esteves invested his money in other things - including a large construction group in Rio. Cocoa, he admits, has become little more than a

pleasant hobby.
"I live in Rio," said Esteves, "but I come up here every month or so to take a look at the farm."

The cocoa farmers' cavalier attitude has severely affected the area's productivity. Accord-



Ripe for change: a cocoa plantation near liheus Bahia

ing to Luiz Barretto Teixeira, director of the Copercacau cooperative and a cocoa farmer himself, Bahia has a production capacity of 700,000 tonnes of cocoa a year. Last year, how-ever. Brazil's total harvest yielded only 340,000 tonnes. Besides low productivity, Bahian cocoa suffers from poor

quality. "Many farmers ferment just two or three days instead of the five or six days necessary for top-grade cocoa beans,"

said Ronaldo Monteiro de Carvalho, president of the the Cocoa Growers' Union and vice-president of the National Council of Cocoa Producers. With the arrival of witch's broom in the area, the problem of absentee cocoa farmers has become more pronounced.

"I tried to create an investment pool with my neighbours to control the spread of the fungus," complained one farmer. "One just wasn't inter-ested. The other doesn't live

how to get in much with him." Rahian eserti farmers are counting on higher prices to bail them out. Mr Mexicon 2. inhiping for an agreement at the International Corns Organi isation's meeting this wick

Others believe an accord to unlikely. I doubt there will be on international evera agreement this year," said Mr Barretto Terzeira, "Because, for any accord to be effective, the consuming countries will have to give their sea of approval With international price sup-port uncertain. Bahtan farmers are being forced to find other ways of coping. "I think as should go for vertical interes-tion," suggested Barretto Tex-

"For instance, a group of cocoa farmers could open a processing plant, and thereby guarantee local demand." Some farmers are contentrating on marketing the cocua-plant's fruit, rather than the beans. "We've had some success selling cocca juice in the German market," said Adami de Sa, "The problem is, it's dif-

ficult to preserve."

A few plantation owners are opting for other agricultural products, "We've seen farmers here diversifying into every thing from oranges to macada-mia nuts," said Mr Paulo Fernando Nunes da Cruz of the government research agency

Others are sceptical. Sixth generation cocoa farmer Luis Henrique Goes da Costa Vargens summed up the thoughts of many farmers in the area "The wet, hilly coops region just isn't suitable for anything but coops. I'm going to stick with it until the prices go up."

#### Price recovery for coffee seen as unlikely

By David Blackwell

THE PROSPECTS for a price recovery in the world coffee markets are not encouraging, given the continuing high level suming countries, according to E.D. & F. Man, the London trade group

Since October 1 last year – the beginning of the coffee year – consumer stocks have fallen by less than 1m bags, Man points out in its latest report on the coffee market.

Overall stocks, at 17.7m bags (60 kg each) at the end of April, are less than 2m hags below the record level of 19.4m bags attained in July last year. Exports from International Coffee Organisation member

C/tonne

far, exports are down by more than 7m bags.

However, exports remain roughly in line with international demand and "at this time of year we need to see monthly shipments falling to closer to 5m bags if consumers' stocks are to be depleted," the

report says .

Meanwhile, selling pressure from Brazil has eased considerably. Man points out, and while prices may move a little lower in the immediate future, "the downside risk is quite lim-

 African coffee producers began a three-day meeting with Latin American and Asian exporters yesterday with a conterence to nego

1354/1340 1370/1358

#### Dutch cabinet | Maize producers call acts to curb pesticide use

By Ronald van de Krol in

DUTCH farmers will be forced to make a 35 per cent cut in their use of pesticides by 1995, with a further decline by a total of 50 per cent by the year 2000, under a controversial plan approved by the Dutch cabinet and sent to parliament for debate.

The proposed curbs would require the establishment of a system of pesticide permits. Dutch farmers are the heaviest per-hectare users of pesticides in the world.

The proposals have been attacked by farmers' groups, who argue that they will suffer declines in crop yields if they are forced to give up some of their chemical weapons against pests. They add that the curbs are far stricter than those in force elsewhere.

(Prices supplied by Amelgamated Metal Trading)

ial Karb close Open interes

Total daily turnover 49,403 lots

Total daily turnover 32,060 l

Total daily turnover 4,008 k

Total daily turnover 4,198 k

97.582 lots

135,373 lots

16,634 lots

# for US import control

Chicago

SOYABEARS 5,000 by min; cents/60th bushel

By George Graham in Paris

EUROPEAN maize producers have called for tougher controls on imports of US animal feed derived from maize following the discovery in the Netherlands of what could prove to be a major fraud.

The European Confederation of Maize Producers, based at Pau in southern France, demanded that the European Commission should tighten up the definitions of different categories of animal feed and that the other countries of the EC follow the example of the Dutch customs by checking up

on imports from the US.
The affair hinges on US shipments of corn gluten feed, a by-product from the processing of maize to produce cornstarch. Last year, the US shipped to the BC some 5.4m tonnes of these products, which in its

HEATING OIL 42.000 US galls, cents/US galls

Latest Previous High/Low

pure state is imported without

The European federation says inspections by the Dutch customs of shipments of corn gluten feed arriving at Rotter-dam showed that they contained up to 40 per cent of other by-products, mostly maize cake but also broken maize kernels. They should therefore, the federation argues, be treated as "mix-tures" which are liable to a penalty of 400 florins a tonne, substantially more than their actual value of about 270 flo-

The European federation complains that while imports of maize cake from the US have diminished in the face of tougher controls, imports of

\$60/4 \$63/6 \$64/0 \$70.0 \$60/4 \$91/4 601/0

237.2 236/2 237/0 245/0 250/2 255/2

74.50 72.90 74.92 75.90 75.40 75.95

#### WORLD COMMODITIES PRICES

1291-2 1323-4

ara, 99.7% partity (\$ per tonne)

LONDON METAL EXCHAI

#### MARKET REPORT

Aluminium prices ended the LME kerb trading sharply up and at the highest level for eight weeks on the back of speculative buying. The rally stalled when three-month metal approached the resistance level of \$1,400 a tonne, dealers said. The gains were triggered by unsubstantiated rumours that fund buying was expected in the rings. "There was no firm basis to the rumours it was just a case of collective paranola." one dealer said. Chartists said that the close above \$1,380 now signafled an overhead target in the \$1.420 to \$1,450 area, although the fundamental outlook for aluminium still remains very weak. Today's

#### LME stock figures are expected **London Markets**

London Mai	rkets		SU
SPOT MARKETS			Rev
Crude oil (per barrel FOS)		+ or -	Auc
Dubal Brent Blend (dated) Brent Blend (Aug) W.T.I. (1 pm est)	\$15.25-6.352 \$17.80-7.85 \$18.25-8.30 \$20.00-0.102	+ .125 + 0.10	Oct Dec Mai May Oct
Oil products (NWE prompt delivery per t	onne CIF)	+ or -	Whi
Premium Gasoline Gas Oil Heavy Fuel Oil Naphtha Petroleum Argus Estimates	\$250-252 \$175-176 \$86-67 \$167-190	+2	Aug Oct Man Man
Other	_	+ or -	Whi
Gold (per troy oz) Sitver (per troy oz) Platinum (per troy oz) Palladium (per troy oz)	\$367.80 445.5c \$370.0 \$98.0	+ 0.65 + 4 + 2.0 + 0.25	CRI
Aluminium (tree market) Copper (US Producer) Lead (US Producer) Rickel (free market) Tin (Kusla Lumpur market) Tin (New York) Zinc (US Prime Western)	\$1349 104c 33c 382c 15.75r 269c 62c	+65 +1.1 -2 +10 +0.20	Aug Sep Oct Nov Dec IPE
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	111.24p 129.99p 85.83p	-2.35° -22.1° -3.22°	QA!
London daily sugar (raw) London daily sugar (white) Tate and Lyle export price	\$234.0x \$306.0x \$253.5	-2.0 -5.0 -0.5	Jul Aug Sep Oct
Barley (English feed) Malze (US No. 3 yellow) Wheat (US Dark Northern)	£109.5z £183 £100	-0.5	Nov Dec Jan
Rubber (Jul)♥ Rubber (Aug)♥ Rubber (KL RSS No 1 Jul)	56.50p 57.00p 233.0m	+ 0.50 + 0.50 -1.0	Turn
Coconut oil (Philippines)§ Palm Oil (Malayslen)§ Copra (Philippines)§ Soyabeans (US) Cotton "A" lades	\$360.6y \$3061 \$230x \$166.5 83.60c	+7.5	To Tr th
Wooltops (64s Super)  £ a torme unless otherwise	394p	+2	St

£ a forme unless otherwise stated, p-pence/kg x-Jul/Aug y-Aug/Sep z-Aug. †Meat Cor igo. ♥London physical market, §CIF Roti

to show a further small increase to a new record high. The strong aluminium market helped coppe to bounce off support at around \$2,180 a tonne for three-month metal, as did expectations of a slight decrease in LME warehouse stocks. But rallies above \$2,200 were expected to attract continued selling. London cocoa futures had largely clawed back earlier losses by the close, supported by a

Se;

liquoring leas and better mediums met strong competition and were often 5-10p

dearer, Lesser mediums and plainer sorts proved irregular but mostly easier. Ceyton sold readily at hilly firm to dearer rates. Offshore teas attracted fair support with best Kenyas hilly firm but other description lending easier. The highest price realised this weak was 1960/fig for a Rwande.

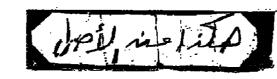
ron	g boun	Ce in Ne	W York	and			
		of the d			Jul	539	537
		Dealers			Sep	586	564
					Nov	589	589
siin	g nao	initially	put tne i	market	Jan	609	610
ıdeı	r press	ure with	near		Mar	627	629
epte	mber :	sliding t	o a low	of £631	Turnov	er2779 (	17971 IM
toni						cocater p	rices (U
		from Re	and a sec		Jun 14	: Comp.	dally 64
CU	mbuan	ann Pe	anialz			90 (65.94	
					_		-
2AR	- Londo	ne POX	(\$ p	er tonne)	POTAT	roes - I	
<u>_</u>	Ciose	Previous	High/Low		<del></del>	Close	Prevk
ı	214,40	200.40	213.00 19	9.00	Mar	115.5	121.0
	196.40	184,40	197.00 18	4.00	Apr	113.5	119.9
	203.00	200.00	188 00		May	130 0	134.0
•	193.00	184.00	1B3 00		Turnov	or 323 (86	i) lots o
,	208.40	186.60	189.00				-
_	204.40	192.40	190.00		SOYAL	IEAL - I	Landon
te	311.0	Previous 300.0	311,0 298			Close	Previo
1	272.5	263.0	271.0 261		Dec	141.50	141.50
	265.0	258.5	264 0 256				
	266.0	259.0	260.9 280		Turnov	er 25 (35)	lots of
		13 (1462)	ats of 50 s	onnes.	FREIG	HT - Loc	idon FC
le 12	31 (1130)				PRESC	Close	Previo
te 12 s- W	31 (1130) hite (FFr	per tonne):		Oct 1858.	Jun	Closs 1725	Previo
te 12 s- W	31 (1130) hite (FFr OSL - 15	per tonne):	Aug 1891,	Oct 1858. S/barrel	Jrists ———————————————————————————————————	Close 1725 1610	1730 1600
te 12 s- W	31 (1130) hite (FFr	per tonne):	Aug 1891,	Oct 1858. S/barrel	Jul Jul Oct	Close 1725 1610 1680	1730 1600 1680
te 12 s- W	31 (1130) hite (FFr OIL - II Lates	per tonne): Pat It Previo	Aug 1891, us High/L	Ort 1858. S/barrel ow	Jun Jul Oct Jan	Close 1725 1610 1680 1682	1730 1600
te 12 s- W	31 (1130) hitle (FFr OSL - IS Lates 18.27	per tonne): PE 1 Previo	Aug 1891,	Oct 1856. S/barrel ow 18.10	Jun Jul Oct Jan Jul	725 1610 1680 1682 1350	1730 1600 1680 1674
te 12 s- W	31 (1130) hite (FFr OIL - II Lates	per tonne): PE t Previo 18.14 18.46	Aug 1891, us High/L 18.35	Oct 1856. S/barrel ow 18.10 18.40	Just Just Oct Jam Just BF1	Close 1725 1610 1680 1682 1350 1706	1730 1600 1680 1674
te 12 s- W	31 (1130) hite (FFr ORL - III Lates 18.27 18.55 18.76 19.00	per tonne): PE t Previo 18.14 18.46	Aug 1891, us High/L 18.35	Oct 1858. S/barrel Ow 18, 10 18,40 18,60	Just Just Oct Jam Just BF1	725 1610 1680 1682 1350	1730 1600 1680 1674
te 12 s- W	31 (1130) hite (FFr ORL - 15 Lates 18.27 18.55 18.76 19.00 18.97	per tonne):  18.14 18.45 18.58 18.68 18.00	Aug 1891. 18.35 18.64 18.90 19.00 19.05	Oct 1858. S/barrel Ow 18.10 18.40 18.60 18.75	Just Just Oct Jam Just BF1	Closs 1725 1610 1680 1682 1350 1706	1730 1600 1680 1674
te 12 s- W JDE	31 (1130) hite (FFr CRL - In Lates 18.27 18.55 18.75 19.00 18.97 x 18.21	per tonne): 18.14 18.46 18.68 18.88 19.00 18.02	Aug 1891. us High/L 18.35 18.64 18.90 19.00	Oct 1858. S/barrel Ow 18.10 18.40 18.60 18.75	Jun Jul Oct Jul BFI Turnové	Closs 1725 1610 1680 1682 1350 1706	Previo 1730 1600 1680 1674 1704
Inde	31 (1130) hite (FFr ORL - H Lates 18.27 18.55 18.76 19.00 18.97 × 18.21	per tonne): 18.14 18.46 18.68 18.88 19.00 18.02	Aug 1891. 18.35 18.64 18.90 19.00 19.05	Oct 1858. S/barrel ow 18.10 18.40 18.60 18.75 18.75	Jun Jul Oct Jul BFI Turnové	Close 1725 1610 1680 1682 1350 1706 247 (22	Previo 1730 1600 1680 1674 1704
Inde	31 (1130) hite (FFr CRL - In Lates 18.27 18.55 18.75 19.00 18.97 x 18.21	per tonne): 18.14 18.46 18.68 18.88 19.00 18.02	Aug 1891. 18.35 18.64 18.90 19.00 19.05	Oct 1858. S/barrel Ow 18.10 18.40 18.60 18.75	Jun Jul Oct Jan Jul BFI Turnovi GRAIN:	Closs 1725 1610 1680 1682 1350 1706 247 (22 3 - Lenc	1730 1600 1680 1681 1674 1704 6) Ion FO3
Inde	31 (1130) hite (FFr ORL - H Lates 18.27 18.55 18.76 19.00 18.97 × 18.21	per tonne): 18.14 18.46 18.68 18.88 19.00 18.02	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21	Oct 1858. S/barrel ow 18.10 18.40 18.60 18.75 18.75	Jun Jul Oct Jan Jul BF1 Turnovi	Closs 1725 1610 1680 1682 1350 1708 8 247 (22	Previo 1730 1600 1680 1674 1704 69
Inde	31 (1130) hite (FFr  Oil Is  Lates 18.27 18.65 18.76 19.90 x 18.21 6071 (11	per tonne): 18.14 18.46 18.86 18.88 19.00 18.02	Aug 1831.  18.35 18.64 18.90 19.05 18.21	Oct 1856. S/barrel ow 18.10 18.40 18.40 18.50 18.75 18.97	Jun Jul Oct Jun Jul BFI Turnove GRAIN:	Close 1725 1610 1680 1682 1350 1706 or 247 (22 5 - Lenc Close 131.50	1730 1630 1680 1674 1704 63 Jon FQ2 Previo
Inde	31 (1130) hite (FFr  CAL - IS  Lates 18.65 18.75 19.00 18.97 × 18.21 6071 (11 - IPE Close 170.50	per tonne):  ###  ###  ###  ###  ###  ###  ###	Aug 1891.  IS 35 18.64 18.90 19.05 18.21  High/Low	Oct 1856.  \$/barrel ow 18.10 18.40 18.60 18.97  \$/bonne	Jun Jul Oct Jan Jul BF1 Turnow GRASH Wheat Jun Nov May	Close 1725 1610 1680 1680 1706 1330 1706 247 (22 5 - Lenc Close 131.50 116.15 128.15	Previo 1730 1600 1680 1674 1704 6) Frevio 130 25 116 30 126 25
Inde	31 (1130) hite (FFr  CRL - Is  Lates  18.27 18.55 18.76 19.00 18.97 × 18.21 6071 (11 - IPE Close 170.50 171.00	per tonne):  ###  ###  ###  ###  ###  ###  ###	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 18: 172.25 17	Oct 1858.  \$/barrel  ow  18.10  18.40  18.40  18.75  18.75  2.75	Jun Jul Jun Jul Ben Turnowi Wheel Jun Jun Mov May Barley	Close 1725 1610 1680 1680 1706 1330 1706 247 (22 5 - Lenc Close 131.50 116.15 128.15 Close	Previo 1730 1600 1680 1674 1704 6) Son FO2 Previo 133 25 116 30 126 25
Inde	31 (1130) hite (FFr  CAL - IS  Lates 18.65 18.75 19.00 18.97 × 18.21 6071 (11 - IPE Close 170.50	per tonne):  ###  ###  ###  ###  ###  ###  ###	Aug 1891.  IS 35 18.64 18.90 19.05 18.21  High/Low	Oct 1858.  \$/barrel ow  8. 10  8. 40  8. 40  8. 75  8. 97  \$/tonne	Jun Jul Oct Jan Jul BF1 Turnow GRASH Wheat Jun Nov May	Close 1725 1610 1680 1680 1706 1330 1706 247 (22 5 - Lenc Close 131.50 116.15 128.15	Previo 1730 1600 1680 1674 1704 6) Frevio 130 25 116 30 126 25
Inde	31 (1130) hite (FFr  Lates  18.27 18.65 18.75 18.00 18.97 × 18.97 × 18.97 × 18.97 18	per tonne):  ## Previous  18.14  18.45  18.69  18.02  19.00  Previous  170.75  171.25  176.50	Aug 1891.  18.34 18.64 18.90 19.05 18.21  18.21  18.21  17.50 18.72 174.25 17.76 177.90 177.90	Oct 1858.  Srbarrel ow 18.10 18.40 18.60 18.75 18.97  Srbanne 2.75 2.75 5.00	Jun Jul Oct Jan Jul Oct Jan Jul Sel Turnowi Wheat Jun Nov May Sep Turnowe Turnowe Sep Turnowe Sep Turnowe Sep Sep Sep Sep Sep Sep Sep Sep Sep Se	Close 1725 1610 1680 1682 1350 1370 1706 247 (22 5 - Lenc Close 131.50 116.15 Close 111.15 close 111.15	Previo 1730 1600 1680 1674 1704 63 Ion FO2 Previo 133 25 116.30 126.25 Previo 111.15
Inde	31 (1130) hite (FFr  CAL - Is  Lates  18.27 18.55 18.76 19.00 18.97 x 18.21 6071 (11 - IPE Close 170.50 171.50 173.50 178.50 178.75	per tonne):  ##  ##  ##  ##  ##  ##  ##  ##  ##	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 16: 172.25 17: 174.25 17: 174.25 17: 174.25 17: 174.25 17: 178.00 17: 178.00 17:	Oct 1858.  \$fbarrel ow  8. 10  8.40  8.40  8.40  8.475  8.97  \$fbarrel  \$fbarrel  \$75  \$75  \$75  \$75  \$75  \$75  \$75  \$7	Jun Jul Oct Jan Jul Oct Jan Jul Sel Turnowi Wheat Jun Nov May Sep Turnowe Turnowe Sep Turnowe Sep Turnowe Sep Sep Sep Sep Sep Sep Sep Sep Sep Se	Close 1725 1610 1680 1682 1350 1706 er 247 (22 5 - Lene Close 131.50 116.15 128.15 Close 111.15	Previo 1730 1600 1680 1674 1704 63 Ion FO2 Previo 133 25 116.30 126.25 Previo 111.15
Inde	31 (1130) hite (FFr  CAL - H  Lates  18.27 18.57 19.00 18.97 × 18.21  6071 (11 - IPE  Close 170.50 171.00 173.50 178.75 179.75 179.75	per tonne):  ## Previous  18.14  18.45  18.69  18.02  19.00  Previous  170.75  171.25  176.50	Aug 1891.  18.34 18.64 18.60 19.05 18.21  High/Low 171.50 16 172.25 17.17.25 174.75 176.75 177.90 171.80.00 177.00 177.00 177.00	Oct 1858.  \$fbarrel ow  8. 10  8.40  8.40  8.40  8.475  8.97  \$fbarrel  \$fbarrel  \$75  \$75  \$75  \$75  \$75  \$75  \$75  \$7	Jun Jul Oct Jan Jul Oct Jan Jul Sel Turnowi Wheat Jun Nov May Sep Turnowe Turnowe Sep Turnowe Sep Turnowe Sep Sep Sep Sep Sep Sep Sep Sep Sep Se	Close 1725 1610 1680 1682 1350 1370 1706 247 (22 5 - Lenc Close 131.50 116.15 Close 111.15 close 111.15	Previo 1730 1600 1680 1674 1704 63 Ion FO2 Previo 133 25 116.30 126.25 Previo 111.15
Inde	31 {1130} hite (FFr OIL - IS 18.27 18.55 18.76 18.97 x 18.21 6071 (11 - IPE Close 1770.50 171.00 173.50 178.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75	per tonne):  ##  ##  ##  ##  ##  ##  ##  ##  ##	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 177.25 177.70 178.00 177.00 177.00 177.00	Oct 1658.  \$/barrel ow 18.10 18.40 18.60 18.75 18.97  \$/tonne  \$.75 2.75 2.75 2.75 2.70 3.00 3.50	Jun Jul	Close 1725 1610 1680 1682 1350 1370 1706 247 (22 5 - Lenc Close 131.50 116.15 Close 111.15 close 111.15	Previo 1730 1600 1680 1674 1704 6) Son FO3 Previo 133 25 116 30 126 25 Previo 111.15
Inde	31 {1130} hite (FFr OIL - IS 18.27 18.55 18.76 18.97 x 18.21 6071 (11 - IPE Close 1770.50 171.00 173.50 178.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75	per tonne):  ## Previous  18.14  18.45  18.69  18.02  19.00  Previous  170.75  171.25  176.50	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 177.25 177.70 178.00 177.00 177.00 177.00	Oct 1658.  \$/barrel ow 18.10 18.40 18.60 18.75 18.97  \$/tonne  \$.75 2.75 2.75 2.75 2.70 3.00 3.50	Jun Jul	Close 1725 1610 1680 1682 1350 1706 17706	Previo 1730 1600 1680 1674 1704 6) Son FO3 Previo 133 25 116 30 126 25 Previo 111.15
Inde	31 {1130} hite (FFr OIL - IS 18.27 18.55 18.76 18.97 x 18.21 6071 (11 - IPE Close 1770.50 171.00 173.50 178.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75	per tonne):  ##  ##  ##  ##  ##  ##  ##  ##  ##	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 177.25 177.70 178.00 177.00 177.00 177.00	Oct 1658.  \$/barrel ow 18.10 18.40 18.60 18.75 18.97  \$/tonne  \$.75 2.75 2.75 2.75 2.70 3.00 3.50	Jun Jul Cot Jan Jul Bir Bir Turnow May Berrey Sep Turnow Plas -	Close 1725 1610 1680 1682 1350 1682 1350 1706 1706 1706 1716 1716 1716 1716 171	Previo 1730 1600 1650 1674 1704 69 1674 1704 1704 1704 1704 1704 1704 1705 1705 1705 1705 1705 1705 1705 1705
inde	31 {1130} hite (FFr OIL - IS 18.27 18.55 18.76 18.97 x 18.21 6071 (11 - IPE Close 1770.50 171.00 173.50 178.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75 179.75	per tonne):  ##  ##  ##  ##  ##  ##  ##  ##  ##	Aug 1891.  18.35 18.64 18.90 19.00 19.05 18.21  High/Low 171.50 177.25 177.70 178.00 177.00 177.00 177.00	Oct 1658.  \$/barrel ow 18.10 18.40 18.60 18.75 18.97  \$/tonne  \$.75 2.75 2.75 2.75 2.70 3.00 3.50	Jun Jul Jul Jul Jul Jul Jul Jul BFI Turnow Wheat Jun Nov May Sep Turnowe Turnowe Pigs -	Close 1725 1610 1680 1682 1330 1706 247 (22 3 - Lesse Close 131.50 128.15 Close 111.15 London Close 108.0	Previo 1730 1600 1650 1674 1704 69 Previo 123 25 116.30 126.25 Premo 111.15 (128) 100 torr
Inde	31 {1130} hite (FFr  Cates  18.27 18.27 18.55 18.76 18.07 18.97 x 18.21 6071 (11 - IPE Close 170.00 173.50 176.50 176.50 176.75 179.75 179.75 179.75 179.75	per tonne):  ##  ##  ##  ##  ##  ##  ##  ##  ##	Aug 1891.  18.34 18.64 18.90 19.03 18.21  Hight/Low 171.50 181 172.25 177 174.25 177 174.95 177 179.00 177 179.00 177 170.00	Oct 1858.  Srbarrel ow 18.10 18.40 18.60 18.75 18.97  Srbane  2.75 2.75 2.75 2.75 2.00 2.00 2.00	Jun Jul Cot Jan Jul Bir Bir Turnow May Berrey Sep Turnow Plas -	Close 1725 1610 1680 1682 1350 1682 1350 1706 1706 1706 1716 1716 1716 1716 171	Previo 1730 1600 1650 1674 1704 69 1674 1704 1704 1704 1704 1704 1704 1705 1705 1705 1705 1705 1705 1705 1705

	Dec	678	879	680	672		3 months	1395-6	1323
	Mar	713	713		707		Conner, Gr	ade A (E pe	r tonnel
	May	734	734		730		Cash	1354-5	
	Jul Sep	755 775	754 774		752		3 months	1359-70	1341- 1353
					778				
8	Turnov	rer: 3167	(3998) lo	ts of 10	tonnes		Lead (£ per		
	NGCO I	macator	prices (	SDRs pa	r tonne)	. Daily	Cash	330-1	334-6
J	for Jun	14 789 S	7 762.18 ( 22 (793.35	(101.00)	IU Day a	verage	3 months	341-2	343-4
			_ 1	•			Nickel (S po	er tonne)	
5	-	- 1-	ndon FO				Cash	8460-70	8250
			BEOR PU	<u> </u>		Chonne	3 months	8470-80	8287-
	_	Close	Previo	us Hig	h/Low		Tin (\$ per ti	oone)	
	Jul	539	537	542	535		Cash	5775-85	5735-
	Sep	586	564		582		3 months	5960-70	5820-
	Nov	589	589		<del>586</del>		Zloc. Speci	i High Grad	le (S per
	Jan	609	610		607		Cash	1061-2	1074
	Mar	627	629		625		3 months	1080-1	1091-
ı	Tumov	er:2779 (	3797) lots	of 5 tox	ин <del>е</del> з		LME Closin		-
			rices (US				SPOT: 1.641		3 mon
		: Comp. 90 (65.94	dally 64.6 a	99 (65.23	ij. 15 day	Aver-			
	-An ex	-au (03.54	"				_		
7	POTAT	10E\$ - (	London F	юx	2	/tonne		EASTION W	
:		Close	Previo					plied by N.J	W.HOTHSC
_	=			<u>-</u>	A/TOM		Gold (Sine a	z) \$ price	9
-	Mar	115.5	121.0		C 115.5		Close	367.40-36	7 RG
	Apr	113.5	119.9		0 1125		Opening	367.25-36	7.65
	May	130 0	134.0	127.			Morning fix	367,30	2
	Turnow	or 323 (8	6) lots of	40 tono	85.		Afternoon fi		. 2
							Day's high Day's low	367.60-36 366.70-36	
-	SOYAL	IEAL, - :	Landon I	FOX	£	/lonne			
		Close	Previou	ıs Uısı	VLow		Loco Lda M	leşin Gald L	ending f
							1 month	5.51	6 mon
	Dec	147,50	141.50	141,	50		2 months	5.48	12 ma
	Turnove	r 25 (35)	lots of 2	O Borane	<u>s</u> .		3 months	5.44	
-	_						Silver fix	p/line oz	Ų
	PRESCI	N - La	ndon FO	K 9	rebni/01	: DOUGT	Carr		
							Spot 3 months	270.05 277.50	4
•		Close	Previou	es Hugo	√Low		6 months	284.75	4
ī	Jun	1725	1730	1725			12 months	298.80	4
-	Jul Oct	1610 1680	1600 1680		1585				
	Jan	1682	1674	1680	1860		COLD COD		
	Juj	1350	1017	1350			(Prices supp	Hed by Eng	elhard A
	BFI	1706	1704	1706				\$ price	- 1
	Turnove	s 247 (22	<b>161</b>				Krugerrand	367.00-3	68 00 S
		100	,				Maple leaf	375.00-3	
	Cham.	1 - 1					New Sovere		
•	_	5 - Kesse	ion FQX			tonne			
	Wheat	Clase	Previou	ıs High	/Low		TRADED O	PYTONS	
ı	Jun	131.50	130.25		131.50		Alominium (	29 7%)	Calls
•	Nov	116 15	116.30		5 116.00				
•	May	128.15	126.25	126.0	10		Strike price	o minican	Sep
	Barley	Close	Previou	s High	7 cm		1300	76	112
				- 14Bir			1400	16	51
	Sep	111.15	111.15				1500	1	18
	Turnove	r: Wheat	73 (128),	Barley	0 (106).		Copper (Gra	de A)	Cais
	Turnove	r lots of	100 tonne	96. ·	•		2100	112	126
							2200	38	71
	Pigs -	London	FOX (	Cash Sa	Wement	o/ka	2300	7	34
	_	Close							
		LICSE	Previou	s High	LOW		Coffee	Jul	Sep
	Aug	109.0	1120	108.0	i .		500	39	
ì	Sep	105.0		106.0			550	39	67 20
	Feb	110.5		109.0			600	ò	23
	Turrow	rg (10) :-	ats of 3,2						10
	. 01110301	(13) E	~= U J,£	~ rå			Cocce	Jul	Sep
						_	550	- 51	
	MGNI -	Lender	FOX				600	6	48
		Close	Prev.	High	Low	Vol	B50		50
	==								
	inde Joh	139.95	138.80	140 00		60	Brent Crude	Aug	Sep
!		140.80	139.00	140.80		50			<del></del>
i				147 50	141 20	155	1850	71	
	Jul	142.50	138.70	142.50 143.50	141.20 147.90	155 150	1850 1900	31	20
				142.50 143.50 144.10	141.20 142.90 142.70	155 150 55	1850 1900 1960	31	28

Nickel (5 per	fonne)			_			
	3460-70 3470-80	8250 8287		8450/843 8475/835		420-30 440-50	
Tin (\$ per to:							
Cash 5	775-85	5735	45		5	770-5	_
	860-70	5820		5870/585	5 5	860-70	
Zinc, Special							
Cash 1 3 months 1	1061-2 1080-1	1074- 1091-	2	1066/106 1099/106	2 1 C 1	062-3 083-5	
LME Closing	2/\$ rate:	_					_
SPOT: 1.6410	1	3 mon	ths: 1.6	216	61	nonths	: 7.
					Ma		v
LONDON BU (Prices suppl			hid)		146	W	1
Gold (Sine az	) \$ price		equiv	alent	COLI	100 tr	Oy.
Close	367.40-367.					Clos	•
Opening Magning Se	367.25-367. 367.30		<b>30 000</b>		-JUN	368.	
Morning fix Afternoon fix			26.059 26.252		Jul Aug	389.2 370.2	
Day's high	367.60-367.	90			Oc.	374	
Day's low	366.70-367.				Dec	377.	
Loco Lda Me	gen Gald Le	nding f	lates (	ve used	Feb Apr	381.i	
1 month	5.51	6 mor	niths	5.41	- Jun	387.9	
2 months	5.46	12 pmc	mtha	5.35	Aug	391.	5
3 months	5.44				PLAT	NUM S	D t
Silver fix	p/line oz	_	ಜಿ <b>ಚ</b> ಾ	equiv		Clos	•
Spot 3 months	270.05 277.50		35.85 45.35		Jun	369.7	;
6 months	284.75		52.55		Jel	369.9	
12 months	298.80	4	68.30		Jan	374.5 378.6	
					Apr	382 (	
<b>GOLD CODE</b> (Prices suppl	-	ikani i	fotelet		Jul	386.6	į
п. т-чого осорра	S price		E equiv	releat	SILVE	R 5,00	0 10
Krugerrand	367.00-36		226.50			Clos	•
Maple lest	375.00-37		231.25		משל	443.6	;
New Soverels	pn 87.00-88.0	10	53.50-5	4.00	Jul	444.5	•
TRADED OF	770000				Aug Sep	447.1 450.0	
					Dec	457.9	
Albeninium (2		elia -		etts	Jan Mar	450.3	
Strike price \$		Sep	Jul	Sep	May	486.5 472.4	' 
1300 1400	78	112	4	17	Jul	478.3	1
1500	16 1	51 18	49 125	55 120	Sap	484,9	
Copper (Grad	n Al C	عقع		uts	HIGH	GRADE	EC
2100	112	126	4	34		Close	
2200	38	71	29	.s 75	Jun	98.40	Τ
2300	7	34	97	137	Jul	98.75	
					Aug Sep	97.65 97.45	
Coffee		Sep	Jei	Sep	Oct	97.05	,
500 550	39	67	0	2	Nov	96,65	i
500	1	29 10	12 61	14 45	Dec Jan	95.25 95.95	
Cocce	- Lud	_	Jel		Feb	95.50	
550		Sep		Sep	Mar	95.15	
500	. 51 . 6	48	0 5	10	CRUD	É ÇIL (	Lig
350	Ŏ	20	49	32		Lates	R .
Brent Crude	Auc			8	Jul	19.98	
	Aug	Sep	Aug	Sep	Aug	20.02	
1850 1900	31				Nov Jen	20.50 20.48	
950		28			Feb	20.35	
•					Mar	20.30	

420 350	842 844	10-30 10-50	8465-70	14	1,001 lots	
					er 1,732 lots	Jul Sep
	577	0-5				Dec
855		0-70	5850-60		860 lots	Mar May
062		2-3	Total dali	A smirrone	r 10,108 lots	Jul
08C		2-3 3-5	1078-80	28	.713 lots	Sep Dec
		raths: 1.6	070			Mar
-	- O IAR	-1019. 1.0	uru	9 111	onths: 1.5960	,
•	Ne	w Y	ork			
	ant n	ing trove	z.; S/troy o			COFF
		Close	Previous	High/Lo		
	JUR	368.2	367.1	368.4	367.3	Juji Sep
	Jul Suc	369.2	368.2	0	9	Dec
	Aug Oct	370.8 374.0	369.8 373.9	371.1 374.3	369.5 372.9	Mar May
	Dec	377.6	376.6	377.9	376.5	Jul
	Feb Apr	381.0 384.4	380.D 383.4	0 384.5	0 383.2	Sep
	Jun	387.9	386.9	0	0	
		<b>3</b> 91.5	390.5	0	0	\$UG/
	PLATIN		y oz; \$/Iro			
٠.		Close	Previous	High/Lor		Jul
	Jun Jul	369.7 369.9	368.9 369.1	0 371.3	0 369.5	Oct
	Oct	374.5	373.7	376 0	374.3	May
	Jan Apr	378.6 382 6	378.0 382.0	380.5 384.0	378.5 382.5	لوال
		386.6	386.0	0	0	Oct ·
	SILVER	5,000 pc	y oz, cents	itroy oz.		
		Close	Previous	High/Lo	,	2011
		443.6	441,8	440.0	446.0	_
		44.5 47.3	442.7 445.5	445.0 0	439.0 · 0	Jul 1
	Sep	450.0	448.2	451.0	445.D	Oct Des
- 1	Dec	457.9	456 1	459.0	453.0	Mar
-	Mar	450.3 466.5	456.5 464.7	0 464.0	0 462.0	May
	May .	4724	470.6	471.0	469.5	Oct
		478.3 484.9	476.5 483.1	0	0	
	_		PPER 25.0			
•		Ciose	Previous	High/Los		CRAU
:	מעול.	98.40	98.70	99.00	98.50	
		38.75	98.95	99.49	98.00	آلاً Sep .
	Aug ! Sep !	97.85 97.45	97.85 97.50	97 80 95.10	97.30 98.80	Nov.
			97.05	0	0	Jan
			96.65	0	0	Mar
		35.25 35.95	96.20 95.85	96.70 0	95 80 0	
			95.40	Ö	ě	<u></u>
1	Mar (		95 00	95.50	95.10	DND
(	CRUDE	OIL (Ligh	t) 42,000 U	S calls \$/	barrel	MEU
-	- 1	atest	Previous	High/Lov		1_
		9.98	19.67	20.10	19.70	1_
- 4			19.80	20 14	19.81	DOW
			20.41 20.38	20.55 20.48	20.41 20.46	$I^-$
F	eb 2	20.35	20.31	20.42	20.32	Soot
	Mar 2		20.25 20.19	20.30 20.30	20.30 20.19	Futur
•	<del>-</del> '		10	لحد	a. 15	<u></u>

Sep Oct	5630	5595 5717	5540 5760	5600 5720		Close	Provious	Hart
	5750							
Nov	5860	5829	5865	5840		562/4	567/4	567#6
ec	5950	5919	5960	5930	Arxn	565/2	570/4	571/Q
en eb	5975	5949	5985	5950	Sep	566/4	571/6	572:4
eb ler	5890 5650	5844 5619	5890 5870	5850 5620	Nov	573/2	578/0	578/4
PF	5455	5424	5480	5455	Jan	583/4 583:6	589/0 599/4	589/0
				<del>-</del>	Mer Mey	802/4	599/4 619/0	599/6 606/0
			-		ر میں اینال	609.0	614/4	6140
000	A 10 tom	es;\$/tonne	<b>5</b>		SOYA	BEAN ON	60,000 lbs. c	emsylb
_	Close	Previous		<u> </u>		Close	Previous	High/Lo
	926	914	942	900		19.24	19.33	19 44
ab q	979	966	994	960	Aug	19.43	19.49	19 63
C	1027	1017	1040	1007	Sep	19 62	19 67	19.60
kr IY	1072 1100	1084 1894	1083 1110	1054 1080	Oct Dec	19.60 20.21	19.86 20.25	:9.98 20.36
y i	1130	1130	1142	1116	مهل	20.21	20.42	20.55
每	1161	1158	1148	1143	Mar	20.71	20.75	20.90
96	1204	1201	0	0	May	21 01	21.00	21 10
ar By	1244 1271	1241 1268	0	0				
•			•.	-	SOYA	BEAK ME	AL 100 tons;	Srton
						Clase	Previous	High/Lo
OFF	ME "C" 57	.500lbs: ce	ote/Rs			171.1	173.3	173.3
,	Close	Previous			Aug	171.6	174,1	174.3
_					. Sep	171.8	174.4	174 7
l 	84.30	84.30	84.50 85 70	- 84.00 86.20	Oct Dec	172.0 174.0	175.1 177.2	175.2 177.7
ec ec	86.50 89.95	88.90 89.90	86.70 89.95	89.50	Jan	175.1	177.2 178.2	177.7
lar	93.00	93,10	93.00	92.60	Mar	177 0	1180.0	151.0
isy	95.20	95.15	95.30	94.85 96.60	May	179.0	180.5	182 5
	97.40 99.00	97.00 98.90	97.60 C -	96.60 Č	HAIZE	5,000 bu	men, cents/5	GIb bustu
-						Close	. Previous	High/Lo
_					. Jul	235/2	241/6	241/2
N.	R WORLD	"11" 112,0	000 libe; ce	nts/ibs	Sep	237/0	241/2 242/0	241/5
								243/0
_	Close	Previous	High/Lo-		Dec	237 <i>1</i> 5 245/4		
_					Mar May	23716 24514 25014	25070 25574	250/4 254/0
	9.58 8.73	Previous 9.24 6.29	High/Los 9.62 8.77	9.30 8.35	Mar	245/4	250/0	250/4
г	9.58 8.73 8.60	9.24 6.29 8.25	9.62 8.77 8.60	9.30 8.35 8.30	Mar	245/4 250/4	250/0 255/4	250/4 254/0
г	9.58 8.73 8.60 8.65	9.24 6.29 8.25 8.28	9.62 8.77 8.60 8.65	9.30 8.35 8.30 8.40	Mar May Jul	245/4 250/4 255/4	250/0 255/4 260/2	250/4 254/0 260/2
,	9.58 8.73 8.60	9.24 6.29 8.25	9.62 8.77 8.60	9.30 8.35 8.30	Mar May Jul	245/4 250/4 255/4 T 5,000 by	250/0 255/4 260/2 J min; cents/	250/4 254*0 280/2 601b-bust
ŗ	9.58 8.73 8.60 8.65 8.72	9.24 6.29 8.25 8.28 8.41	9.62 8.77 8.60 8.65 8.67	9.30 8.35 8.30 8.40 8.62	Mar Hay Jul Whise	245/4 250/4 255/4 255/4 17 5,000 in Close	250/0 255/4 260/2 J min; cents/ Previous	250/4 254:0 260/2 6015-busi 1891/1.
	9.58 8.73 8.60 8.65 8.72 8.85	9.24 6.29 8.25 8.28 8.41 8.61	9.62 8.77 8.60 8.65 8.67	9.30 8.35 8.30 8.40 8.62	Mar May Jul WHEA	245/4 250/4 255/4 255/4 17 5,000 to Close 288/4	250/0 255/4 260/2 J min; cents/ Previous 253/0	250/4 254/0 260/2 60lb-buci 1991/L/
t tr ty i	9.58 8.73 8.60 8.65 8.72 8.85	9.24 6.29 8.25 8.28 8.41	9.62 8.77 8.60 8.65 8.67	9.30 8.35 8.30 8.40 8.62	Mar Hay Jul Whise	245/4 250/4 255/4 255/4 17 5,000 in Close	250/0 255/4 260/2 J min; cents/ Previous	250/4 254:0 260/2 6015-busi 1891/1.
t tr ty t	9.58 8.73 8.60 8.65 8.72 8.85	9.24 6.29 8.25 8.28 8.41 8.61	9.62 8.77 8.60 8.65 8.67	9.30 6.35 8.30 8.40 8.62 6	Mar May Jul Jul Sep Dec Mer	245/4 250/4 255/4 255/4 C1000 bs C1000 289/4 294/6 305/4 311/6	250/0 255/4 260/2 I min; cents/ Previous 258/0 258-6 310/2 315/0	250/4 254/0 260/2 600b-buel High/Lu 293/9 298/0 316/0 315/0
er ey d	9.58 8.73 8.60 8.65 8.72 8.85	9.24 8.29 8.25 8.28 8.41 8.61	9.62 8.77 8.60 2.65 8.67	9.30 6.35 8.30 8.40 8.62 6	Mar May Jul Jul Jul Sep Dec Mer May	245/4 250/4 255/4 255/4 259/4 294/6 305/0	250.0 25514 260/2 1 min; centur Previous 250.0 250.6 310/2 315/0 306/2	250/4 254/0 260/2 600b-buel High/Lu 293/9 298/0 316/0 315/0 309/0
	9_58 8_73 8_80 8_65 8_72 8_85 SN 50,000 Close 84_57 79_90	9.24 6.29 8.25 8.28 8.41 8.61 centa/lbs Previous 84.35 78.92	9.62 8.77 8.60 8.65 8.67 0 High/Lor 85.03	9.30 5.25 8.30 8.40 8.52 5	Mar May Jul Jul Jul Sep Dec Mar May Jul	245/4 250/4 235/4 255/4 259/6 289/4 294/4 311/6 305/0 289/0	250/0 255/4 260/2 4 min; cents/0 Previous 293/0 298/6 310/2 315/0 306/0	250/4 254/0 260/2 600/2 600/2 600/2 160/0 315/0 309/0 301/4
	9_58 8.73 8.60 8.65 8.72 8.85 ON 50,000 Close 84.57 79.90 75.44	9.24 6.29 8.25 8.41 8.61 cents/fbs Previous 64.35 78.92 74.50	9.62 8.77 8.60 8.67 0 High/Lor 85.03 80.10 75.50	9.30 8.35 8.30 8.40 8.62 0	Mar May Jul Jul Jul Sep Dec Mar May Jul	245/4 250/4 255/4 255/4 255/4 294/6 294/6 305/0 299/0 CATTLE 40	250/0 255/4 250/2 4 min; center/ Previous 253/0 258.6 310/2 315/0 308/2 308/2 300/0 1,000 kbs; car	250/4 254/0 280/2 280/2 480/1/2 293/0 293/0 316/0 315/0 301/4 (0.785
· ·	9.58 8.73 8.60 8.65 8.72 8.85 CHOSE 20.000 CHOSE 84.57 79.90 75.44 76.20	9.24 8.23 8.25 8.41 8.61 8.61 8.61 8.61 8.61 8.61 8.61 8.6	9.62 8.77 8.80 8.65 8.67 0 High/Lor 85.03 80 10 75.50 76.30	9.30 8.35 8.40 8.62 6 84.00 78.90 74.35 75.20	Mar May Jul Jul Jul Sep Dec Mar May Jul	245/4 250/4 255/4 255/4 27 5,000 bs Chose 289/4 294/6 305/0 299/0 204/TLE 40 Chose	250/0 255/4 260/2 4 min; cents/0 Previous 293/0 298/6 310/2 315/0 306/0	250/4 254/0 260/2 600/2 600/2 600/2 160/0 315/0 309/0 301/4
	9.58 8.73 8.85 8.72 8.85 8.85 Close 75.99 75.44 76.20 76.20	9.24 6.29 6.25 8.25 8.41 8.61 5.61 5.61 5.61 76.92 74.50 75.40 75.40 75.40 75.40	9.62 8.77 8.60 2.65 8.67 0 High/Lox 85.03 80 10 75.50 76.20 76.30 76.50	9.30 8.35 8.40 8.60 8.52 0 84.00 76.35 75.25 75.26 76.20	WHEA	245/4 250/4 255/4 255/4 27 5,000 bs Cicee 289/6 905/4 315/0 289/0 CATTLE 40 Cicee 74.75	250.0 255/4 250/2 250/2 3 min; cents./ Previous 293.0 298.6 310/2 315/0 306/2 303/2 303/0 1,000 lbs; cer. Previous 74.82	250/4 254/5 280/2 60%-bust High/L 293/6 293/6 315/6 309/6 301/4 85/705 Migh/L 74/90
et ar ay d et	9.58 8.73 8.60 8.65 8.72 8.85 CHOSE 20.000 CHOSE 84.57 79.90 75.44 76.20	9.24 8.23 8.25 8.41 8.61 8.61 8.61 8.61 8.61 8.61 8.61 8.6	9.62 8.77 8.80 8.65 8.67 0 High/Lor 85.03 80 10 75.50 76.30	9.30 8.35 8.40 8.62 6 84.00 78.90 74.35 75.20	Mar May Jul Sup Doc Mar May Jul Living (	245/4 255/4 255/4 255/4 255/4 256/4 266/4 266/4 266/4 305/0 299/0 2477LS 40 Canno 74.73 73.10	250.0 255/4 260/2 3 min; centa/ Previous 293.0 298.6 310/2 315/0 308/2 300/0 1,000 lbs; cer Previous 74.82 73.47	250/4 254/0 280/2 600b-busi High/L 253/0 319/0 315/0 309/4 High/L 74.90 74.90 73.40
et ar ay d et	9.58 8.73 8.85 8.72 8.85 8.85 Close 75.99 75.44 76.20 76.20	9.24 6.29 6.25 8.25 8.41 8.61 5.61 5.61 5.61 76.92 74.50 75.40 75.40 75.40 75.40	9.62 8.77 8.60 2.65 8.67 0 High/Lox 85.03 80 10 75.50 76.20 76.30 76.50	9.30 8.35 8.40 8.60 8.52 0 84.00 76.35 75.25 75.26 76.20	WHEA	245/4 250/4 255/4 255/4 255/4 27 5,000 bs C1000 299/4 294/6 305/0 299/0 24771.5 40 Close 74,73 73,10 75,10	250.0 255/4 256/2 256/2 256/2 275/2 293/0 298.6 310/2 315/0 306/0 1.000 fbs; car Previous 74.82 73.47 75.32	250/4 254/3 260/2 600/2-busi High/R, 293/0 319/0 319/0 319/0 309/0 309/0 74/90 73/40 75/25
t services	9.58 8.73 8.65 8.65 8.72 8.85 Close 84.57 79.90 75.20 76.20 76.20 98.50	9.24 6.29 8.25 8.41 8.61 6.61 6.61 6.61 6.61 6.61 6.61 6.6	9.62 8.77 8.69 2.64 8.57 9 High/Lon 75.50 76.20 76.20 76.20 76.20 76.50 66.00	9.30 8.35 8.40 8.62 6 84.00 78.90 74.35 75.25 75.20 78.20 58.00	Mar May Jul Sep Dec Mar Jul Livre ( Livre ( Li	245/4 250/4 235/4 255/4 255/4 256/4 296/4 296/4 310/5 299/0 247TLS 40 Glosse 74,75 73.10 75.18 76.22	250.0 255/4 260/2 3 min; centar/ Previous 293/0 295.6 310/2 315/0 306/2 300/0 1,000 lbs; cer Previous 74.82 73.47 75.32 76.22 75.72	250/4 2250/2 250/2 250/2 250/2 250/0 250/0 315/0 305/0 305/0 305/0 74.50 74.50 75.25 76.25 76.75 77.75
1 TTC	9.58 8.73 8.65 8.65 8.72 8.85 Close 84.57 79.90 75.20 76.20 76.20 98.50	9.24 6.29 8.25 8.41 8.61 6.61 6.61 6.61 6.61 6.61 6.61 6.6	9.62 8.77 8.69 2.64 8.57 9 High/Lor 85.03 85.03 76.20 76.20 76.20 76.50 66.00	9.30 8.35 8.40 8.62 6 84.00 78.90 74.35 75.25 75.20 78.20 58.00	Mar May Jul Sep Opc Mar May Jun Ang Oct	245/4 250/4 255/4 255/4 255/4 255/4 259/4 299/6 305/0 259/0 259/0 25771.5 40 73.10 75.10 75.20	250.0 255/4 256/2 256/2 3 min; cental Previous 293.0 298.6 310/2 315/0 308/2 308/2 308/2 74.82 73.47 75.52 76.52	2504 2540 2602 6005 bush 18947 29870 31970 31970 30970 30970 30970 30970 74.90 74.90 75.25
	9.58 8.73 8.65 8.65 8.72 8.85 Close 84.57 79.90 75.20 76.20 76.20 98.50	9.24 6.29 8.25 8.41 8.61 6.61 6.61 6.61 6.61 6.61 6.61 6.6	9.62 8.77 8.69 2.64 8.57 9 High/Lon 75.50 76.20 76.20 76.20 76.20 76.50 66.00	9.30 8.35 8.40 8.62 6 84.00 78.90 74.35 75.25 75.20 78.20 58.00	Mar May Jul Sep Dec Mar Jul Livre ( Livre ( Li	245/4 250/4 235/4 255/4 255/4 256/4 296/4 296/4 310/5 299/0 247TLS 40 Glosse 74,75 73.10 75.18 76.22	250.0 255/4 260/2 3 min; centar/ Previous 293/0 295.6 310/2 315/0 306/2 300/0 1,000 lbs; cer Previous 74.82 73.47 75.32 76.22 75.72	250/4 2250/2 250/2 250/2 250/2 250/0 250/0 315/0 305/0 305/0 305/0 74.50 74.50 75.25 76.25 76.75 77.75
	9.58 8.72 8.85 8.75 8.85 8.75 8.85 94.57 79.90 75.44 76.20 76.20 68.50 6	9.24 6.25 8.25 8.41 8.61 centa/lbs Previous 84.35 74.90 75.40 75.40 68.75 15,000 8s Previous	8.62 8.77 8.69 8.65 8.97 9 10 85.03 80 10 75.50 76.20 76.20 76.50 66.00	9.30 8.35 8.30 8.40 8.62 8 8 7 8.90 74.35 75.25 76.00 78.20 68.00	Mar May Jul Sup Dec Mar Jul Lang Oct Dec Pec Apr	245/4 250/4 255/4 255/4 255/4 255/4 294/6 905/4 315/6 295/0 289/0 2471LS 40 Glosse 74.75 73.10 75.16 75.27 76.10	250.0 255/4 260/2 3 min; centar/ Previous 293/0 295.6 310/2 315/0 306/2 300/0 1,000 lbs; cen Previous 74.82 75.52 76.12	2564 2549 2807 2807 2807 2907 2907 3150 3014 3014 887 887 887 887 74 90 75 25 76 18
	9.58 8.73 8.65 8.72 8.85 8.72 8.85 ON 50,000 Close 84.87 79.90 75.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20	9.24 6.29 8.25 8.26 8.41 8.61 6.61 6.61 6.61 6.61 6.61 6.61 6.6	9.62 8.77 8.80 8.87 9.10 85.03 80.10 76.20 76.20 76.30 76.30 76.00 HighLot	9.30 8.35 8.30 8.49 8.62 8 8 78.90 74.35 75.25 75.00 78.20 9.118.60	Mar May Jul Sup Dec Mar Jul Lang Oct Dec Pec Apr	245/4 250/4 255/4 255/4 255/4 256/6 266/4 266/6 305/0 289/0 247TLS 4 Glose 74.75 73.18 75.16 75.22 76.10	250/0 255/4 260/2 260/2 3 min; centa/ Previous 258.6 310/2 315/0 306/2 306/2 306/2 306/2 306/2 74.82 75.32 76.12 76.12	2504 25410 28072 28072 28072 29072 29073 31970 30174 30174 30175 74.90 73.90 75.25 76.18
ct ary side of the control of the co	9.58 8.73 8.80 8.65 8.75 8.85 ON 50,000 Close 84.57 79.90 67.544 76.20 7	9.24 6.29 6.25 8.28 8.41 8.61 Centa/fas Previous 84.35 74.50 75.40	8.62 8.77 8.89 8.85 8.87 9 85.03 80 10 75.50 76.20 76.	9.30 8.35 8.30 8.40 8.62 6 8.62 6 84.00 74.35 75.25 75.25 75.20 58.00	Mar May Jul Sup Dec Mar Jul Lang Oct Dec Pec Apr	245/4 250/4 253/4 253/4 253/4 253/4 299/4 299/4 299/4 305/4 311/5 305/0 299/0 247TLS 40 Glose 74.73 73.10 75.19 75.20 75.70 76.70	250/0 255/4 260/2 1 min; cents/1 Previous 293/0 293/6 310/2 315/0 306/0 1,000 lbs; cents/2 74.82 75.72 76.12 20 D. cents/5 Previous	2504 2549 2509 2509 2509 2509 2509 3109 3109 3099 3099 3099 3099 3099 30
et lary of the control of the contro	9.58 8.73 8.80 8.65 8.72 8.85 ON 50,000 Close 84.57 79.90 75.44 76.20 76.20 76.20 68.50 68.50 68.50 117.15 119.30 118.50	9.24 6.29 8.25 8.25 8.41 8.61 centa/lbs Previous 84.35 74.50 75.40 75.40 68.75 116.10 117.80 117.80 117.80 117.65	8.62 8.77 8.69 8.65 8.97 9 10 85.03 80 10 75.50 76.50 76.50 76.50 66.00	9.30 8.35 8.30 8.49 8.62 8 8 78.90 74.35 75.25 75.00 78.20 9.118.60	Mar May Jul Sep Dec Mar May Jul Livie I Dec Feb Apr	245/4 250/4 255/4 255/4 255/4 259/4 299/4 299/4 311/5 305/0 299/0 24771.5 40 Close 74.73 73.10 75.10 75.20 75.72 76.10	250/0 255/4 250/2 250/2 250/2 250/2 250/2 315/0 300/0 1,000 lbs; car Previous 74.82 75.72 76.12 00 Rt. centari	2504 2549 2807 2807 2807 2937 2937 3157 3157 3017 3017 4827 73.20 73.25 76.25 76.19
et lar	9.58 8.73 8.80 8.65 8.75 8.85 ON 50,000 Close 84.57 79.90 67.544 76.20 7	9.24 6.29 6.25 8.28 8.41 8.61 Centa/fas Previous 84.35 74.50 75.40	8.62 8.77 8.89 8.85 8.87 9 85.03 80 10 75.50 76.20 76.	9.30 8.35 8.30 8.40 8.62 8 8 74.35 75.25 76.00 78.90 118.60 118.60 118.60 118.60 118.40 117.90	Mar May Jul Sup Doc May Jul LIME I Jun Aug Oct Doc Feb Apr	245/4 250/4 255/4 255/4 255/4 255/4 294/6	250.0 255.6 260.7 260.7 260.7 260.7 260.8 253.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 310.7 74.8 77.5 75.7 75.7 76.1 2 76.1 76.1 2 76.1 76.1 2 76	25614 25410 28072 28072 28072 29070 31070 31070 31070 31070 31070 30970 30070
ut est esc lar lary ut	9.58 8.73 8.80 8.65 8.72 8.85 ON 50,000 Close 84.57 79.90 75.44 76.20 76.20 76.20 68.50 68.50 68.50 117.15 119.30 118.50	9.24 6.29 8.25 8.25 8.41 8.61 centa/lbs Previous 84.35 74.50 75.40 75.40 68.75 116.10 117.80 117.80 117.80 117.65	8.62 8.77 8.69 8.65 8.97 9 10 85.03 80 10 75.50 76.50 76.50 76.50 66.00	9.30 8.35 8.30 8.40 8.62 8 8 74.35 75.25 76.00 78.90 118.60 118.60 118.60 118.60 118.40 117.90	Mar May Jul Sep Dec Mar Jul Lave ( Dec Apr Live k	245/4 250/4 255/4 255/4 255/4 255/4 294/6 294/6 294/6 305/0 289/0 24711.5 4 Glose 74.75 73.10 75.19 75.72 76.10 Glose 36/7 54.75 54.75 54.75 54.75 54.75	250/0 255/4 250/2 250/2 250/2 250/2 253/0 250/6 310/2 315/0 306/2 300/0 1,000 lbs; car Previous 74.82 75.52 76.12 276.12 276.12 276.12 276.12 276.12 276.12	2504 25410 28072 28072 28072 28072 29370 29370 30170 30170 30170 30170 30170 30174 18370 74.90 73.90 75.25 76.18 18981 1
et lay of the second of the se	9.58 8.73 8.65 8.72 8.85 8.72 8.85 ON 50,000 ON 50,000 76.26 78.90 76.26 76.26 76.26 76.26 76.26 76.26 117.75 118.50 118.10	9.24 6.29 8.25 8.25 8.41 8.61 centa/lbs Previous 84.35 74.50 75.40 75.40 68.75 116.10 117.80 117.80 117.80 117.65	8.62 8.77 8.69 8.65 8.97 9 10 85.03 80 10 75.50 76.50 76.50 76.50 66.00	9.30 8.35 8.30 8.40 8.62 8 8 74.35 75.25 76.00 78.90 118.60 118.60 118.60 118.60 118.40 117.90	Mar May Jul Sup Doc May Jul LIME I Jun Aug Oct Doc Feb Apr	245/4 250/4 255/4 255/4 255/4 255/4 294/6	250.0 255.6 260.7 260.7 260.7 260.7 260.8 253.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 300.0 256.6 310.7 315.0 310.7 74.8 77.5 75.7 75.7 76.1 2 76.1 76.1 2 76.1 76.1 2 76	25614 25410 28072 28072 28072 29070 31070 31070 31070 31070 31070 30970 30070
et ar av	9.58 8.73 8.65 8.72 8.85 8.72 8.85 ON 50,000 ON 50,000 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 117.75 118.10	9.24 6.29 8.25 8.26 8.41 8.61 8.61 64.35 74.90 75.55 75.90 88.75 115,000 8a Previous 117.50 117.05	9.62 8.77 8.80 8.61 8.87 9 10 76.20	9.30 8.35 8.30 8.49 8.62 6 84.90 76.90 74.35 75.25 76.90 78.20 118.60 118.60 118.40 117.90 118.00	Mar May Jul Sep Dec Mar Jul LIVE I LIVE I LIVE I LIVE I Apr	245/4 250/4 255/4 255/4 255/4 255/4 256/4 305/0 289/0 289/0 247TLS 40 Glose 74.75 75.18 75.20 75.72 76.10 54.67 54.67 54.67 54.72 46.25	250/0 255/4 250/2 250/2 250/2 250/2 253/0	2504 25402 25002 25002 25002 25002 25002 25002 31002 31002 31002 31002 30104 30502 30502 30502 30502 30502 30502 30502 30502 74.50 75.75 76.14 150.05
et lary lary lary lary lary lary lary lary	9.58 8.73 8.65 8.72 8.85 8.72 8.85 ON 50,000 ON 50,000 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 117.75 118.10	9.24 6.29 8.25 8.26 8.41 8.61 8.61 64.35 74.90 75.55 75.90 88.75 115,000 8a Previous 117.50 117.05	8.62 8.77 8.69 8.65 8.97 9 10 85.03 80 10 75.50 76.50 76.50 76.50 66.00	9.30 8.35 8.30 8.49 8.62 6 84.90 76.90 74.35 75.25 76.90 78.20 118.60 118.60 118.40 117.90 118.00	Mar May Jul Sup Doc May Jul Lawe I Jun Aug Oct Doc Feb Apr	245/4 250/4 250/4 250/4 250/4 250/4 294/6 294/6 294/6 305/4 311/5 305/4 311/5 299/0 24711.5 4 Close 74.75 73.10 75.10 75.72 76.10 Close 54.75 75.72 76.10	250.0 255.0 255.0 250.0 250.0 250.5 250.0 250.5 300.0 250.5 300.0 250.5 300.0 250.5 300.0 250.5 300.0 250.5 300.0 250.5 300.0 250.5 250.0	256/4 254/3 280/2 280/2 280/2 290/2 290/3 310/0 310/0 310/0 310/0 309/0 30/0 30
et lary lary lary lary lary lary lary lary	9.58 8.73 8.65 8.72 8.85 8.72 8.85 ON 50,000 ON 50,000 76.20 76.20 76.20 76.20 76.20 76.20 76.20 76.20 117.75 118.10	9.24 6.29 8.25 8.26 8.41 8.61 8.61 64.35 74.90 75.55 75.90 88.75 115,000 8a Previous 117.50 117.05	9.62 8.77 8.80 8.61 8.87 9 10 76.20	9.30 8.35 8.30 8.49 8.62 6 84.00 78.90 74.35 75.25 75.25 75.20 78.20 68.00	Mar May Jul Sep Dec Mar May Jul LINE I LINE I LINE I LINE I LINE I LINE I Dec Feb Apr	245/4 250/4 255/4 255/4 255/4 255/4 259/4 299/4 299/4 299/4 311/5 305/0 299/0 247TLS 40 Glose 74.73 73.10 75.19 75.72 76.10 54.75 54.75 54.75 54.75 46.17 46.17 46.17 46.25 44.50	250/0 255/4 250/2 250/2 250/2 250/2 253/0	2504 25402 25002 25002 25002 25000 31000 31000 31500 30144 30500 3
et ar av	9.58 8.73 8.85 8.72 8.85 8.72 8.85 ON 50,000 Close 84.87 79.90 75.24 76.20 76.20 76.20 76.20 113.50 118.50 118.10	9.24 6.29 8.25 8.26 8.41 8.61 8.61 84.35 74.92 74.90 75.65 75.80 68.75 115.000 8as Previous 117.05 117.05 117.05	8.62 8.77 8.80 8.87 9 85.03 80 10 75.50 76.20 76.20 76.20 76.30 76.30 117.70 119.00 118.40	9.30 8.35 8.30 8.49 8.62 8 8 78.90 78.90 78.95 75.25 75.00 78.20 9.118.60 118.60 118.60 118.60 118.60 118.60	Mar May Jul Sep Dec Mar May Jul LINE I LINE I LINE I LINE I LINE I LINE I Dec Feb Apr	245/4 250/4 250/4 250/4 250/4 250/4 250/4 250/4 299/4 299/4 299/4 299/4 311/5 305/0 299/0 2ATTLS 4( Close 74.75 73.10 75.18 75.27 76.10 75.72 76.10 75.72 76.10 75.72 76.10 54.75 54.75 46.77 46.25 44.50 BELLRES	250/0 255/4 260/2 250/2 250/2 250/2 253/0 253/0 253/0 253/0 253/0 253/0 253/0 306/0 306/2 306/0 306/2 306/0 74.82 75.72 75.72 76.12 20 Bb. centari 74.82 75.72 76.12 20 Bb. centari 75.82 76.47 75.82 76.47 75.82 76.47	2504 25402 25002 25002 25002 25002 25002 25002 30100 3
CT SERVICE STATE OF THE SERVICE SERVIC	9.58 8.73 8.80 8.65 8.75 8.85 ON 50,000 Close 84.57 79.90 67.544 76.20 76.20 76.20 76.20 117.15 118.30 118.10 118.10	9.24 6.29 6.25 8.28 8.61 centa/fas Previous 84.35 78.92 75.40 75.40 75.40 75.40 75.40 117.80 117.80 117.85 117.05 117.05	8.62 8.77 8.89 8.85 8.97 9 75.50 76.20 76.20 76.20 76.20 76.30 117.70 119.70 119.70 118.50 118.40	9.30 8.35 8.30 8.40 8.62 6 8 84.00 78.90 74.35 75.25 76.00 78.20 112.60 112.60 112.60 112.60 113.60 114.60 115.00	Mar May Jul Sep Dec Mar Jul LIVE II Jun Ang Oct Dec Apr	245/4 250/4 250/4 250/4 250/4 250/4 250/4 250/4 290/4 290/4 3110/6 305/0 299/0 2ATTLS 4( Close 74.75 73.10 75.18 75.20 75.76 10 Close 54.67 54.75 46.77 46.77 46.25 44.50 BELLIES	250/0 255/4 260/2 250/2 250/2 250/2 253/0	2504 25402 25002 25002 25002 25002 25002 31000 31000 31000 31000 3000 3000 30
CT SERVICE STATE OF THE SERVICE SERVIC	9.58 8.72 8.85 8.72 8.85 8.72 8.85 90 50,000 Close 84.87 79.90 75.20 76.20 76.20 76.20 76.20 76.20 117.15 118.50 118.50 118.10	9.24 6.29 6.25 8.28 8.61 centa/fas Previous 84.35 78.92 75.40 75.40 75.40 75.40 75.40 117.80 117.80 117.85 117.05 117.05 117.05	8.62 8.77 8.78 8.69 8.65 8.57 9 75.50 76.20 76.20 76.20 76.20 76.20 76.30 8.117.70 119.70 118.50 118.40	9.30 8.35 8.30 8.40 8.62 6 8 84.00 78.90 74.35 75.25 76.00 78.20 68.00 118.60 118.60 118.60 118.60 118.60 118.60 118.60	Mar May Jul Sep Dec Mar May Jul LINE I LINE I LINE Aug Oct Dec Feb Apr PORIX	245/4 250/4 250/4 250/4 250/4 250/4 250/4 290/4 310/6 305/0 299/0 201715.5 40 Close 74.75 75.10 75.20 75.72 76.10 Close 56.67 54.75 51.25 54.17 46.77 46.77 46.77 46.77 46.77 46.77 46.77 46.77 56.70 Close 53.67	250.00 255.64 250.02 250.02 250.02 250.02 250.03 25	2504 25402 28072 28072 28072 29370 31570 31570 30370 30370 30370 30370 74.90 75.25 75.25 75.75 76.19 199016 56.85 56.85 56.80 51.25 46.80 46.80 46.80
et lary al	9.58 8.73 8.80 8.65 8.75 8.85 ON 50,000 Close 84.57 79.90 67.544 76.20 76.20 76.20 76.20 117.15 118.30 118.10 118.10	9.24 6.29 6.25 8.28 8.61 centa/fas Previous 84.35 78.92 75.40 75.40 75.40 75.40 75.40 117.80 117.80 117.85 117.05 117.05	8.62 8.77 8.89 8.85 8.97 9 75.50 76.20 76.20 76.20 76.20 76.30 117.70 119.70 119.70 118.50 118.40	9.30 8.35 8.30 8.40 8.62 6 8 84.00 78.90 74.35 75.25 76.00 78.20 68.00 118.60 118.60 118.60 118.60 118.60 118.60 118.60	Mar May Jul Sep Dec Mar Jul LIVE II Jun Ang Oct Dec Apr	245/4 250/4 250/4 250/4 250/4 250/4 250/4 250/4 290/4 290/4 3110/6 305/0 299/0 2ATTLS 4( Close 74.75 73.10 75.18 75.20 75.76 10 Close 54.67 54.75 46.77 46.77 46.25 44.50 BELLIES	250/0 255/4 260/2 250/2 250/2 250/2 253/0	2504 25402 25002 25002 25002 25002 25002 31000 31000 31000 31000 3000 3000 30
T SELECTION OF THE SELE	9.58 8.72 8.85 8.72 8.85 8.72 8.85 90 50,000 Close 84.87 79.90 75.20 76.20 76.20 76.20 76.20 76.20 117.15 118.50 118.50 118.10	9.24 6.29 6.25 8.28 8.61 centa/fas Previous 84.35 78.92 75.40 75.40 75.40 75.40 75.40 117.80 117.80 117.85 117.05 117.05 117.05	8.62 8.77 8.78 8.69 8.65 8.57 9 75.50 76.20 76.20 76.20 76.20 76.20 76.30 8.117.70 119.70 118.50 118.40	9.30 8.35 8.30 8.40 8.62 6 8 84.00 78.90 74.35 75.25 76.00 78.20 68.00 118.60 118.60 118.60 118.60 118.60 118.60 118.60	Mar May Jul Sup Doc May Jun Ang Oct Sup Cot Sup Jun Ang Oct Sup Jun Ang Oct Sup Sup Jun Ang Oct Sup Sup Sup Sup Sup Sup Sup Sup Sup Sup	245/4 250/4 250/4 250/4 250/4 264/6 305/4 311/6 305/4 311/6 305/4 311/6 305/4 311/6 305/4 311/6 305/4 311/6 305/4 315/4 73.11 75.16 75.16 75.16 75.17 76.10 Close 31.67 54.75	250.00 255.04 250.02 250.02 250.02 250.05 25	2504 25470 28072 28072 28072 29070 29070 31570 30570 3



### LONDON STOCK EXCHANGE

# Share prices drift in sluggish trade

WEAKNESS in sterling, poornews on retail sales and gloomy predictions ahead of today's announcement of the Public Sector Borrowing Requirement for May, all made to for a drab showing in UK equi-ories yesterday as the new trad-ing account opened. Wall Street, edging above Dow 3,000 carly in the session, provided what little encouragement there was and London strugwigled to hold its ground in very

Equities made a mild response to yesterday's sterling exchange rate index, which was itself influenced by a strong dollar and a weakening Spanish currency. Hopes for a further cut in UK base raises in the very near term, which would be infinenced by sterling's performance, were damped down on Friday by the

Forecasts

Ladbroke

PROFITS forecasts for

Ladbroke were reduced after Mr Cyril Stein, the company's

chairman, confirmed the dam-aging effect of the Gulf war on

the company's Hilton interna-tional hotel operation. "The

first half of the year has been-disappointing, with the first quarter dramatically affected

by the war," he said at the company's annual meeting.

In response, at least one of

cut for

Jul 11 Jun 14 Jel 12 pount Day: Jun 24

Account Dealing Dates

Jul 1

Bank of England's actions in the London money markets; however, the stock market still expects rates to be reduced again before the end of the again before the end of the mouth, or possibly next mouth. Wall Street's gain on Friday of 35 Dow points and its firm opening yesterday drew London's attention back to the prospects for a lifting in the global economic recession. While the signals from the UK economy remained bleak yesterday, with retail sales showterday, with retail sales showing a further fall last month, New York's performance hinted at signs of optimism on the US economy. However, investors in the

London equity market showed little sign of confidence yester-day ahead of this week's data on the domestic economy. In spite of Wall Street's firmness UK stocks opened a shade easier and spent the session

moving narrowly.

With little of interest on the corporate scene, share prices were content to mark time. Trading volume was slow to develop and at the close the Seag-reported total had reached a mere 285.9m shares, well below Friday's 435.7m and pitifully below the levels required for profitable trading.
The final reading showed the
FT-SE Index at 2,524.0, with the net gain of 1.7 reflecting little

Reed international

handful of leading stocks. ICI stood out firmly, although the chorus of doubt regarding prospects of an all-out bid from Hanson grew louder at the weekend as the board of the chemical group strengthened employee redundancy protec-

BAT Industries was an early beneficiary of Wall Street's strength, and pharmaceuticals extended their recent firmness, included Glaxo and Fisons.

Equity market strategists stressed the significance of political factors in a London stock market poised yesterday for reports of an important speech in Chicago last night by Mrs Thatcher, whose views on Political in Chicago last night by Mrs Thatcher, whose views on Political in policies. Mrs Thatcher, whose views on Britain's policies towards Europe have seemed to differ from those of Mr John Major, the UK prime minister.

back to its core business

and car contract hire arms.

branded dairy products - by putting up for sale its poultry

and news that Kuwait is to buy up to 24 Airbus aircraft, for which BAe builds the wings.

Turnover was a low 540,000 shares. County NatWest pub-

lishes a positive note on the

Triplex Lloyd retreated as a large line of stock came on to

the market. The shares ended 6

A bear squeeze pushed TI 5

higher to 521p. Investment

house Charterhouse Tilney was reported to have been a keen shopper for the shares early in the day.

Kwik Fit gave up 4 to 113p as a line of stock of 776,000 shares went through on the

Trafalgar House eased 2 to 254p as British Aerospace moved to stamp out specula-

tion that it would launch a bid.

FT-A All-Share Index

Seaq ticker at 114p.

stock this morning.

lower at 114p.

Differing opinions are also held in the equity market on the timing of the next general election in the UK, with Nikko Securities siding with the majority in believing that the election will be delayed until

the market still awaits further evidence that inflation has been fully conquered. Today brings the latest statistics on manufacturing output and on unit wage costs, which could provide an impetus to other factors for a cut in base rates. However, the stock market is now keenly watching the foreign exchange centres, aware that sterling's position within the Exchange Rate Mechanism is likely to be the main deter-minant of the timing of the next reduction in domestic

June next year.
On the domestic economy ●Earning Yld %(full) ●P/E Ratio(Net)(☆) 8.48 14,54 SEAO Burges 4.45pm Equity Turnover(Cm)† Equity Burgains† Shares Traded [mi)† FT-SE 100, Hourly changes Open 9 sm 10 am 2521.9 2520.3 2522.8 Cramphorn, the garden centre chain, fell sharply after the company warned that the pres-

ent bout of bad weather was likely to hurt profits. The British Aerospace added 4 at 591p on positive sentiment ganerated by the Paris Air Show shares initially slumped 39 but picked up to finish 22 down BET weakened 6 to 174p after revealing a 33 per cent fall in profits to £217m. Tace, the environmental con-

Tace, the environmental control equipment group which was the subject of a bid on Friday by Cambridge Electronics, advanced 6 to 231p. The shares rose sharply on Friday and were boosted yesterday by speculation that a counter-bid was in the wind. Cambridge lost 9 to 196p.

Bid rivalry also boosted SD-

Scieon, the computing services company facing a hostile bid from Cray Electronics. The shares rose 5 to 54p. Electronic Data Services, of the US, made counter-offer last week but that was rejected by Scicon as

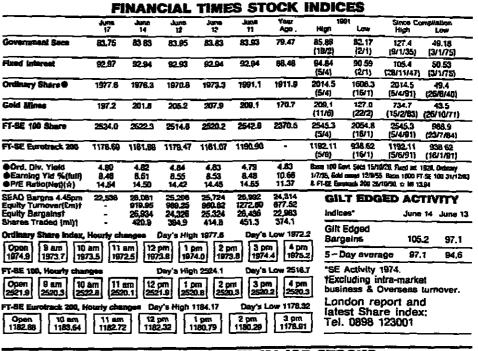
too low. Volex, the electrical controls and communications systems manufacturer, declined 8 to 274p, reflecting a 41 per cent drop in profits. BAA climbed 8 to 448p after

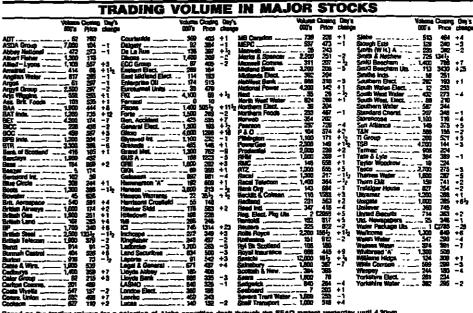
announcing final results. Profits were close to the upper end of expectations, and the company's forecast of stronger traf-fic growth next year and the analysts' post-results meeting were reassuring.

Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 24.

Five to Fifteen

100.1 9511 Concresion 10pt 1996...
99.7 98 100. 10pt 1988 8...
11312 1083 from 13 spc 1997et...
122.6 117 feath 159 1997...
122.6 117 feath 159 1997...
123.6 1998...
127.6 121 s from 199...
127.6 121 s from 199...
127.6 121 s from 199...
128...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129...
129..





**EQUITY FUTURES AND OPTIONS TRADING** 

THE derivatives markets saw flows and carrying costs - is only light trading yesterday and failed to develop a signifi-cant trend of their own, let alone to influence underlying equities. Trading in the leading European futures markets was significantly larger than in London, according to UK

the estimated premium over cash to allow for dividend

trading specialists.
In futures, the June contract on the FT-SE Index, on which the fair value calculation -

now put at zero. On this basis, the contract traded just above fair value throughout the session, albeit not enough above to warrant arbitraging

between cash and futures. Trade in the September contract, into which traders are now moving rapidly, rose. Dealers reported both buyers and sellers of the September contract, with the two sides finally balancing out. The traders' view is that real inter-

est rates are still high in the UK and that further half-point falls are unlikely to change market perceptions.

The pleture was much the same in traded options, where the three most active share contracts, National Power,

Glaxo and BAA, recorded turnover levels implying sigthe underlying equity stocks. Total business in traded options totalled 17,336 con-

however, that little new infor-mation was printed in the magazine. Buyers seemed to agree and piled into the stock late in the session. Glazo climbed to

at 1314p. Fisons broke through Insurance issues were among the best performers of the day in the FT-SE 100 index, encouraged by the recent gen-tle rise in insurance premiums. the rise in insurance premiums.

BZW's weekend note added to the good mood, particularly for Royal Insurance, 9 higher at 444p, and General Accident, which closed 7 to the good at 535p. BZW said that Royals was highly geared to economic recovery and GenAcc benefited from the strength of the dollar.

report in a US business maga-zine to lead international stocks higher as sterling again fell against the dollar. The article summarised legal and new product challenges to Glaxo's big selling drug Zan-tac, the shares were 12 lower in

the 25 berrier for the first time to close 12 firmer at 506p, while BAT Industries added 12 at 735p, once again helped by Friday's recommendation from Smith New Court and the prospect of an analysts visit today.

its forecast on the stock and changed its recommendation

### London's top three securities houses turned more cautious on the stock, although other analysts said little that was new had been revealed at the

annual meeting. The shares shed 5 to 263p as a brisk 1.7m changed hands. Glaxo resilient Glaxo shrugged off a bearish

early trading.
Traders and analysts argued,

lts second new high in succession, 1298p, up 18 on the day as a hefty 4m changed hands. the month". Buying of dollar earners also left Wellcome up 6 at 649p. SmithKline Beecham 7 higher at 788p and ICI 23 to the good

Turnover was slim.
TSB slipped 3 to 144p as
Smith New Court cut its prof-

ucers a

ort com

A sharp recovery for publisher Reed International came to an end yesterday as the shares went ex-dividend. They lost 4 to 418p xd. Advertising revenue is a leading economic indicator; it falls as advertisers foresee cutbacks and rises when they plan for recovery. So the stock outperformed in the winter's bull run only to retreat again amid spring pessimism. The last turning point was Reed's results, after which analysts were somewhat reassured over the prospects for recent acquisition TV Times — hurt by new competition — and the company's reduced interest in satellite television. interest in satellite television. from buy to hold. Smith chop-ped \$56m from this year's prof-its estimate to £194 km. The securities house blamed the bank's October year-end, which means any recovery in the wider economy is unlikely

100

to show up until next year's figures; an increased bad debt allowance, particularly in rela-tion to troubled leisure group Brent Walker, and lower earn-ings from its unit-linked life. insurance operation as a result of poor new business figures from the industry as a whole. Smith added that "active and overweight funds should reduce holdings ahead of interim results at the end of

There was little turnover in the big four clearing banks except for Midland. Vague rights issue talk left the shares 5 off at 2060 after 3.2m traded.

industrial doors, power transmission and castings group, fell 5 to 63p after announcing a fall in end of year profits from £2.9m to £732,000. Adverse press reports knocked Wimpey down 4 to 180p. Traders blamed Rosehaugh's

traners biamen kosenangi s slide of 6 to 46p on fears that the company would not be able to make hoped-for disposals before its year-end on June 30. Stanhope, with which Rose-haugh owns London's Broad-cate development dinned 3 to gate development, dipped 3 to 67p.

Asda saw heavy turnover of 7m as one institution contin-

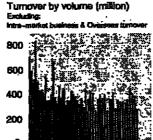
ued to unwind part of its holding in the company with the sale of two large blocks of shares. The stock eased a

penny to 104p.
Unigate rose 6% to 285p ex-dividend. One specialist said that confidence was helped by

### Harrison Industries, the moves to strip the company

**NEW HIGHS AND LOWS FOR 1991** NEW HIGHE (187).
AMERICANS (187) Abbott Labs., Amer.
Cyanamid, Amer. T & T, Bethiabent Steel.
Bovester Inc., Dun & Bracktreet, Eaton.
Lowe's, NYNEY, Whitpool, CANADRAMS
199 Abbott Energy, BC Gas, BCE, Bt of
Nove Scotle, Can. Impr. Bt., Derlan Ind.
Hudson's Bay, Inperial Oll, Inco.
Transcanded Pipolenes, BANKS (2) Bencairs
(Fol), Espirito Seate Find. BREWERS (2)
Seagram, Wolv. & Duckey, SUBLIMICS (1)
Polypipe, GEBBICALS (3) Engelment, Jeyes,
Monteclisch, Physik, Ramboli, STORES (5)
Coles Mysr, Fine An Derlya, Helbern, Reject
Shop, Specialeyes, ELECTRICALS (7) Black
& Declar, Domino Printy, Sc., Goring Kerr,
Nith. Telesoon, SD-Scicon, Siemens,
Wholessie Pilgs, EMSMEERISSG (1) TACE,
POCOG (1) Perform, ROUSTRIALS (27)
Alexpring Furn., Asson. (84). Port., GRT,
CSF, Deinfele-Bertz, Flooris, Gasso.

Dreyton Blue Chip Zaro Prt., Dunadin Worldwide, Emmoor Dasil Inc., Fidelity Japan OTC & Redg., Do. Wirnis, Phop., Amer., Fing., Irid., High Inc., Do. Zaro Div Prt., GT. Chile Ft., Links, Guranore-Velun Zaro Prt., Genesis Enrg., Midrs., Genesis Mastysis Majs., George Atlands., Indonesis Equity, Do. Wirnis, Japher Terbutz Mivris, Kornis, John Libr., Law Deb., Merst. Terbutz Mivris, Kornis, Del., Pot. Dec., Mercury Assed Minguit, 171 Tedring, Caro Prt., Templeton Enry, Misto, Do. 190 La., Tribuna, Otl. 8 (9) Globel Mad. Pesc., Ohio Res., Woodside, Saffett (1) Mill., Mergy Lottes (2), Emmo. Del. Del. La., Tribuna, Otl. 8 (9) Globel Mad. Pesc., Ohio Res., Woodside, Saffett (1) Mill., Mergy Lottes (2), Emmo. Del. Com., 1901 1996 B. Trees., Spo. 2000 C., Historia (2), Gen. 1901 1996 B. Trees., Spo. 2000 C., Historia (2), Gen. 1901 1996 B. Trees., Spo. 2000 C., Historia (2), Gen. 1901 1996 B. Trees., Spo. 2000 C., Historia (2), Gen. 1901 1996 B. Trees., Monthal, STORES (1), Cramphon, M. J., Listovika (2), Gen., 1996 B. Trees., Spo. 2001 C., Historia (3), Gen., 1997 B. Historia (3), Gen., 1997 B. Historia (4), Landia T.Y., 1907 Del. (2), Gen., 1998 B. Trees., 1997 Dec., Marchall, Marchall (1), Augita T.Y., 1907 Del. (2), Calm (1), Reservant, McCytale, Marc Coverdials, Rosebaught, Stanbope, TEXTER 20, 17, Apion. TRIBETS (1), Angus P. L., Co. of Louisiana A. P. Lantatatate (2), Angus P. Dude.



**Equity Shares Traded** 

ment of better than expected annual results last week, adding 9½ at 317p ex-dividend. Mr Robert Sassoon of County NatWest said: "The cost reduc-tions are pretty attractive, rendering the company effectively recession-proof." Charter Consolidated, which has a 38 per cent stake in Johnson and moved shead 8 to 475p.

Apr 1991 Jun Johnson Matthey, the pre-cious metals group, continued to rise following the announce-ment of better than expected

reveals final results today, USM-quoted Proteus International gained 9 to 1149 as a large increase in end of year losses was offset by a confident statement from the chairman.



Index-Linked

INT. BANK AND O'SEAS **CORPORATION LOANS** 

> **AFRICAN LOANS** 90| 8412|Sta Short 87-92 Asset .... | 90|......|

LOANS

**FOREIGN BONDS & RAILS** 

## **APPOINTMENTS**

### **Promotion** at Asda **Property**

At ASDA PROPERTY HOLDINGS Mr Autony Roscoe has become managing director.

- Mr Roscoe was appointed an executive director of Asda Property Holdings in 1985 and since then he has bad. particular responsibility for the group's commercial property activities.

Mr Diarmuid Quirke, managing director of the CRH Group, has been appointed president of CEMBUREAU, the association of European cement manufacturers, for the next three years.

MERCURY ASSET MANAGEMENT, the principal-operating subsidiary of Mercury Asset Management Group, has made the following appointments. Miss Carol Galley and Mr David Roster. become deputy chairmen. Mr Ian Barby, Mr Ross Bunce, Mr Nigel Hurst-Brown and Mr Peter Urquhart, become

Mr Ian Armitage, Mr Norman Bachop, Mr David Boyle, Mr Colin Clark, Mr Keith Mullins and Mr Barry Woolf have been appointed to the board.

Mr Tony Nicolle is to join STANDARD CHARTERED as area general manager, Hong Kong and China, towards the

end of this year. He was commissioner of banking in Hong Kong.

■ Mr Simon Reisman has been made chairman of RANGER Off with the powers of chief executive exercised by the



■ Mr Michael Lamb (pictured) is the new general manager at SCOTTISH LION INSURANCE COMPANY. He was previously general manager at Lombard

To Janet Morgan has been appointed a non-executive director of PITNEY BOWES. She is also a director of Cable & Wireless; W.H. Smith Group and Midlands Electricity.

■ Mr Michael Sampson has been elected to the board of ROYAL LIVER ASSURANCE, the Liverpool-based financial services organisation, following the retirement of Mr Peter Ketley. Mr Sampson

was UK operations purchasing and supplies manager with PPG Industries. **■ CHARLES TAYLOR & CO,** 

managers of mutual insurance associations, has been

reorganised into three divisions. Mr Colin Harris remains chairman until his retirement at the end of 1991 and Mr Bruce Sturgess remains group chief executive and chief executive of the P.& I. division. Mr Lawrence Hart has been appointed chief executive of the North America division responsible for the management and development of all North American interests. Mr John Rowe has

been made chief executive of the London management division responsible for the management and development of London-based activities. A wholly-owned subsidiary, Charles Taylor Investment Management, has been formed with Mr Stuart A. Ingram as investment director.

RAGLE TAVERNS, Clasgow, has appointed Mr Freddle Craig as chairman and Mr Frank O'Callaghan a non-executive director. Mr Craig was a director of Christian Salvesan and Mr O'Callaghan was formerly financial director at Stakis.

ML HOLDINGS, the aerospace and electronics company, has appointed Mr Timothy W.B. Sallitt as a non-executive director from July 1. He was formerly a director of Hawker Siddeley

■ The hose group comprising Flexible Hose Supplies, R.F.T. Flexhose and Flexinetallic Industries has been restructed under the holding company, FLEXIBLE HOSE SUPPLIES. Leading the team is Mr Peter Hughes, previously sales director of Flexible Hose, and now promoted to group managing director, responsible for all day-to-day operations for the group. Mr George Shaw, founder of the group, takes the northern of the group,



Mr Tony Arkinstall (pic-tured) has been promoted to managing director of BIR-MINGHAM POWDER COAT-INGS, part of the Heywood Williams Group. Mr Arkinstall joined as commercial director nine years ago.

■ Mr Peter Hough has been appointed as sales director by NAPIER BROWN AND COMPANY. He was formerly managing director of John

### SUBSCRIBE TO THE FT TODAY

Contact your nearest office: Phone

Fax

		1 11040	
Amsterdam	+31 20	6239430	6235591
Brussels	+32 2	5132816	5110472
Copenhagen	+45 33	13 <b>444</b> I	935335
Frankfurt	+49 69	7598101	722677
Geneva	+41 22	7311604	7319481
Helsinki	+3580	6940417	6949498
Lisbon	+35 11	808284	804579
Madrid	+34 1	5770909	5776813
New York	+1 212	7524500	3082397
Paris	+33 1	42970623	42970629
Tokyo	+81 3	32951711	32951712
Stockholm	+46 18	552312	552312
Vienna	+43 1	5053184	5053176
Warsaw	+48 22	489787	489787
-			

FINANCIAL TIMES

### FOR SALE OR TO LET 2 LEISURE UNITS, SALFORD QUAYS

125ft of Waterside frontage within one of the fastest expanding commercial quayside developments in the U.K. Surrounded by 1.25 million sq.ft. of Prestigious Office Accommodation. Operators in the vicinity include Cannon Multiplex

Cinemas, Beefeater, Toby Inns, Copthorne Hotels.

Bar 4,500 sq.ft. Restaurant 3,300 sq.ft. Available as a single unit.

Enterprise Zone Tax **Benefits** 



<u>WILLIAM</u> HILLARY

071 494 3888

### **BUSINESS SOFTWARE**

A selection of software packages to suit your business needs appears every Saturday in WEEKEND FT.

Order your copy today.

	LONDON SHARE SERVICE	
CANADIANS  CANADIANS	DRAPERY AND STORES — CORTO	
1.03 Districtional Reverys 1 196	55 Securiose 100	100   65 starts Writing 5
*250 1720 1720 1720 1720 1720 1720 1720 172	ELECTRICITY  2011341-Easter Bet 50p. of 184 R14 45 1.6 5.9 12.4 220 1428at Malays Det 50p. of 189 R15.04 1.7 6.0 11.6 221 1364 London Elect 50p. of 193 R15.04 1.7 6.0 11.6 222 1364 London Elect 50p. of 198 R14.9 1.7 5.9 11.9 223 1364 London Elect 50p. of 198 R14.9 1.7 5.9 11.9 224 1364 London Elect 50p. of 198 R14.9 1.7 5.9 11.9 225 1364 London Elect 50p. of 198 R16.0 1.8 5.8 11.2 225 1364 London Elect 50p. of 198 R16.0 1.8 5.8 11.2 226 1364 London Elect 50p. of 198 R16.0 1.8 5.8 11.2 226 1364 London Elect 50p. of 198 R16.0 1.8 5.8 11.2 227 1364 London Elect 50p. of 198 R16.0 1.8 5.8 11.2 228 1364 London Elect 50p. of 198 R16.0 1.0 98 R16.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1	28

The state of the s

and the second s

LONDON SHARE SERVICE

TOMOGRAPH TOMOGRAPH TO THE STATE OF **LONDON SHARE SERVICE** ● For Latest Share Prices on any telephone ring direct-0635 43 + four digit code (listed below). Cells charged at 45p per minute peak and 34p off peak, inc VAT EISURE PROPERTY MINES-Contd MINES

High Law

21, Worsess Mining R.L.

421, Worsess Mining R.L.

431, Worsess Mining R.L.

432, Worsess Mining R.L.

432, Worsess Mining R.L.

433, Worsess Mining R.L.

434, Physical Lawses Mining R.L.

435, Whitesass M.L.

435, Whitesass M.L.

436, Worsess M.L.

437, Worsess M.L.

438, Physical Mining R.L.

439, Worses M.L.

431, Worses M.L.

431, Worses M.L.

431, Worses M.L.

432, Worses M.L.

433, Worses M.L.

434, Physical Mining R.L.

435, Whitesas M.L.

436, Worses M.L.

437, Worses M.L.

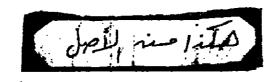
438, Worses M.L.

439, Worses M.L.

431, Worses M.L. Price of Piet C'er Gr's
42 -1 1 104 7 7 8 1.4
16 -1 01c 27 OIL AND GAS on "net distribution basis, esminys per stare being computed on profit, after taxation and unrelieved ACT where applicable; bracketed figures understein understeined for one difference it calculated on "nil" distribution. Covers are based on "national profit after taxation, excluding exceptional profits/fesses but including estimated either of offsetable ACT of 25 per cent and allow middle prices, are gross, adjusted to ACT of 25 per cent and allow middle prices, are gross, adjusted to ACT of 25 per cent and allow middle prices, are gross, adjusted to ACT of 25 per cent and allow for visual profits, and the profits after the profit after the profits af **PLANTATIONS** REMEMBERS, P.
SZÁROGIO-ESS PIANTS... B
77 (Bertara 10p.
34 (Zoos, Plants MSO. 5.
34 (Zoos Plants MSO. 5.
34 (Look MSO. 5.
30 (Look MSO. 5.
30 (Look MSO. 5.
31 (Roose MSO. 5.
31 (Roose MSO. 5.
31 (Roose Essent Ins. 10p... p) 5679 444 66 95 35 G Teas

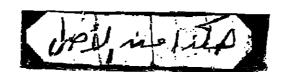
160 13094oran 10p. 155 11.0 10.9 1775 1175Writiasson 61 1208 1208 233 3 2.1 3.7 # | 1300 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | RHM Rack Org Ord. Rack Org Ord. Rack Org Ord. Rack Sears. Arina Petini.
Brit Petrofann.
Burnais Castrol.
Coeroy Petini.
Gastic Res.
Premier
Saeli.
Vastar Res.
Ultramar Australians AUSTRALI
35 2-Spaces 50c.
27 1-Spaces 60d.
4 1 1-Spaces 50d.
3 3-Spaces 50d.
32 20pacter 50de.
34 20pacter 50de.
35 1-dpBrinsprict 51 ...
36 3-Spaces 51 ...
37 3-Spaces 51 ...
38 3-Spaces 51 ...
38 3-Spaces 51 ...
38 3-Spaces 51 ...
38 3-Spaces 52 ... 38 ... Q3d 3 6 4.0
17 .... Q3d 3 6 4.0
3 .... 101c 1.5
15 traind in the United Kingdom for a fee of \$3.150 a year for each security shows, subject to the Editor's discretion.

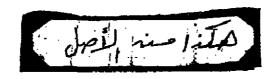
		FI	MANAGED I	ONDS SEKAR	and 34p off pee	k, Inc VAT. To obtain your free Link Trus	had time. Mr. prier or Vall
AUTHORISED UNIT TRUSTS LANGE FREE ARE SHEET OF THE	1551.lmer Prior Lordon 577.14 1939   071 497.8111   071	James	Lait Care. But Office on Water Copy From Price 1 (1900)  a. Unit Treat Marges Life (1900)  Depart From Contract  A Selection Contract  Contract  A Selection Contract  Contract  A Selection Contract  Contrac	Kleinworf Bresse Unit Trusts (14400)*  Kleinworf Bresse Unit Trusts (14400)*  Desir 671-05 7534  Letter 1671-05 7534  Letter 1672-05 75	Marin & Spencer Unit Trust Lis (1200)* The edge Charles & CAPP 005	Academ   100 to to to 14 color of 20 color of 15 col	Compared Front State Sta
80 Holdenburst Rd. Bournessouth 3,745 7173.  High Income American Income b) 50,24 50,24 51,7314,0794,248 Gitts G Fived int b) 10,24 10,24 116,94 62,48 High No Easily b) 137,7 139,4 1,68,2-0,55,7 Verbridge Bond b) 2,79 5,209,56 222,0140 76,7 Capital Grawth b) 207,4 207,4 221,84,2-0,155,7 American Facilita b) 134,8 137,6 146,3 40,31 Capital Reserva Acr. b) 134,8 137,6 146,3 40,31 Capital Reserva Acr. b) 104,9 104,9 104,9 72 Capital Reserva Acr. b) 104,9 104,9 104,9 72 Capital Reserva Acr. b) 105,9 17,9 17,9 183,5 -0,01 Capital Reserva Acr. b) 105,9 17,9 17,9 183,5 -0,01 Capital Reserva Acr. b) 105,9 17,9 17,9 17,9 183,5 -0,01 Capital Reserva Acr. b) 105,9 17,9 17,9 17,9 19,9 10,01 Capital Reserva Acr. b) 105,9 17,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,9 15,9 17,9 19,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva Acr. b) 19,5 9,7 9,7 9,9 10,01 Capital Reserva A	Geneta Acc	Trepleration Fonds Margt Ltd (1200)F United States From States Fro	Cart united   St. Sept 21   Sept 22   Sept 22   Sept 22   Sept 23   Sept 23   Sept 24   Sept 2	According 19 (1) (2) (3) (4) (5) (5) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4	September 11 (42 07 A) Plants 17 (40) 41 (42 07 A) Plants 17 (40) 41 (42 42 42 42 42 42 42 42 42 42 42 42 42 4	HM Unit Trust Mayer (1204H) The Bits Certer Series Represent Agreement The Bits Certer Series Constitution (1204H) The Bits Certer Series Constitution (1204H) The Bits Certer Series Constitution (1204H) The Certer Series (1204	Total Life Fit Impact Life (1986)  19 has 34 February VIZ ELT From 11 A 1 Million  19 has 34 February VIZ ELT From 11 A 1 Million  19 has 10 and 11 and 12 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1 A 1
General	Higher Triels 613226 32 bb 35.14-60.94 49 Ce- 46 Politicul 64 17 417 448 481 4924 49 Ce- 67 Politicul 64 17 417 448 481 4924 49 Ce- 68 Politicul 64 18 26 18 25 19 19 20 19 15 20 18 19 19 19 19 19 19 19 19 19 19 19 19 19	op Persion Feb UT Mars Ltd (18000)F G- 30 Cervitil (1802) E39 33 (1902) 1 (1733) 494 to 19 Cervitil (1802) 1 (1902) 1 (1	rimore Fond Managers (1200)F there Have 16-12 Managers (1200)F there Have 16-12 Managers (1200) Author 200 Aut	The theorem 1 - 25   110   110   121   131	Mayflower Management Co Ltd (1200)# FO Sex 200. Sexioning foot SSS 4000 OE 400.311 increase \$1,400 St 400.00 Apr. 710.2 (5) Cathanine. \$1,400 St 400.00 \$1,400.505 fort content. \$1,400 St 400.00 \$1,500.505 fort content. \$1,400 St 400.00 fort content. \$1,40	Martine   Daniel	breat London that! The Share Las (1886) was London that the State of Las (1886) which have been breat
10 General Ferration, Aberteen ABP 1(1) 1000 83326 Agree for 6 Genetic 54, 82, 30, 32, 30, 34, 304 82, 23, 32, 32, 34, 304 82, 23, 32, 32, 32, 34, 304 82, 23, 32, 32, 32, 32, 32, 32, 32, 32, 3	D UK General 6 117-5 [17-56] 122-2 4 0194 05 6 16-6 16 16 16 122-2 4 0194 05 6 16-6 16 16 16 16 16 16 16 16 16 16 16 16 16	Fine for Rec.   \$1.55 \( \frac{1}{2} \) \$0 \\ \frac{1}{2} \) \$0 \\ \frac{1}{2} \) \$0 \( \frac{1}{2} \) \$0 \\ \frac{1}{2} \] \$0 \\ \frac{1}{2} \) \$0 \\ \frac{1}{2} \] \$0 \\\ \frac{1} \] \$0 \\\ \frac{1} \] \$0 \\\ \frac{1} \] \$0 \\\ \frac{1} \] \$0 \	The state of the s	113 Omales C. Europerter (1335) 8 (113-500, 135 Grouper: 3915) 5-615 8 (131-500, 131	Matter   Matter   12 61 54 65 54 65 54 65 66 66 66 66 66 66 66 66 66 66 66 66	Account Herest 1 Sa. 26.57 77 44 82 69 41 75 00 100 60 100 100 100 100 100 100 100 1	marry 6 Gard 1 1 1 1 2 2 3 4 1 1 1 1 1 1 2 1 2 3 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Smaller Companies 54, 18.28 28.28 32, 28.24 107 (1974) UK Growth 54, 18.12 34, 12.28, 22.40 1971, 37 World Growth 54, 18.12 34, 12.38, 22.40 1971, 37 World Growth 54, 18.12 34, 19.72 49, 724 59 131 40, 2010 Accurs Unit Trust Managers Ltd (11.00 F Eithed Tax 51, 90, 22.29 10, 224 113, 21-1701, 22 Accurs Fund Managers Ltd (1.00 OF Servicial Rd, Hotton, Exis. 027 160, 23 UK Gusty Roose: 24 10, 22, 24, 25, 27, 40, 23 UK Gusty Roose: 24 10, 22, 24, 27, 28, 27, 40, 23 UK Gusty Roose: 24 10, 22, 24, 27, 28, 27, 40, 28, 28, 28, 28, 28, 28, 28, 28, 28, 28	15 St Botolph Street Landon ECA3 7-JJ 071-277-5472 Fellowship 14.9 - 54 - 54 - 54 - 57 - 79 - 60 51 2-56 Fellowship 14.9 - 54 - 53 - 57 - 58 - 55 - 58 - 58 - 58 - 58 - 58	Persinaal 15 Mangerin Lta (1990)  Persinaal 15 Mangerin Lta (1990)  Persinaal 16 Mangerin Lta (1990)  Persinaal 16 Mangerin Lta (1990)  Persinaal 17 Mangerin Lta (1990)  Persinaal 18 Mangerin Lta (1990)	The control of the co	Laurence Keen Unid Tract Magnet 0.360 FT.  Shire Ind fart SC.  Laurentian Unit Tol Magnet List 0.200 FT.  Laurentian Unit Tol Magnet Color Tol Magnet List 0.200 FT.  Laurentian Unit Tol Magnet Color Tol Magnet List 0.200 FT.  Laurentian Unit Tol Magnet Color Tol M	Fig. 100 100 100 100 100 100 100 100 100 10		## (Bank
heir-Linted Gitt. 6-1, 151, 56 1, 69 54 691-801, 18 Money	5 117 Fescheren St. London EC33 SAL	Company   Comp		Lazard Unit Tet Mages Life (1200):  2 Microbic Limite Elit 2017	UR Section 2013 5 (4) 16 40 18 42 84 84 84 85 18 18 42 84 84 85 18 18 42 84 84 85 18 18 18 18 18 18 18 18 18 18 18 18 18	St. Lawly terrors. and M. S. 1911. And S. 2012. AND S. 20	Stenedow their French List (14068)  3 Control Line Limite D. List (14068)  3 Control Line Limite P. List (14068)  3 Control Line Limite P. List (14068)  4 Control Line Line P. List (14068)  4 Control Line P. List (14068)  5 Control Line P. List (14068)  5 Control Line P. List (14068)  5 Control Line P. List (14068)  6 Control Line P. Line P
B Suct Open Finds Inc. 1 40,056 44,377 47,914,261,175 BY Suct Open Finds Inc. 1 40,056 44,377 47,914,261,275 BY Success Finds Acc. 1 40,057 46,174 47,914,275,177 BY Brance Finds Acc. 1 40,179 49, 45, 53, 117,915,174 BY Brail Conf. Philade Inc. 6, 50,778 46, 25, 44, 47, 40,451,174 BY Brail Conf. Philade Inc. 6, 50,778 46, 25, 44, 47, 40,451,174 BY Brail Conf. Philade Inc. 6, 50,778 46, 25, 44, 47, 40,451,174 BY Brail Conf. BY Brail Inc. 6, 50,778 47, 50,778 47, 50,778 47, 50,788 BY Brail Conf. BY Brail Inc. 6, 50,788 48, 50,788 58, 50	Recovery Tst 5(1-47).04 50.21 53:411-01211.42   Enter CIDEC Unit Tst Managers pic (1200)H   Growth Feb & State		infinite 2. Lector SR 19 495 077-933 7533 2537 2547 2548 Printinin 2. 2111 1 111 1 335 5 1 2547 2547 2547 2547 2547 2547 2547 2547	Conf.   Conf	Errisse 111 of 7 J J J 7 J B 4 B 10 C F F Lister 4 L B 2 B 6 Z F 7 J B 4 B 10 C F F Lister 4 L B 2 B 6 Z F 7 J B 4 B 10 C F F 7 J B 1 F B 10 C F F 7 J B 1 F	Penal Unit Trans. Lid (1000)  Pi bar Sid Penalman Lid (1000)  Pi bar Sid Penalman Pill 100  Coping 0000 1007  Coping 0000 1007  Longita 1000 1007  Longita 1007	The product of the pr
Tiger Account 6 5 \(\) 1 \(\) 65 \(\) 61 \(\) 64 \(\) 71 \(\) 140 \(\) 91 \(\) AEGON Unit Treats Ltd (1400)\(\) 15 Foottals St. Manchener \(\) 122 \(\) 60 \(\) 276 \(\) 5485 British Growth 5 \(\) 157 \(\) 75 \(\) 60 \(\) 61 \(\) 70 \(\) 100 \(\) 100 British Incore 5 \(\) 157 \(\) 50 \(\) 60 \(\) 61 \(\) 70 \(\) 100 British Incore 5 \(\) 153 \(\) 64 \(\) 64 \(\) 64 \(\) 63 \(\) 64 \(\) 61 \(\) 64 \(\) 64 \(\) 64 \(\) 64 \(\) 64 \(\) 65	Cont. & Fad Int   0.155 on 35 on 37 15   0.188 64   Energy Control Contro	spore Acc 6 11.97 121 02 127 7 - 17 81 Gar central Acc 6 15 17 2 27 4 80 Gar spail Acc 6 15 17 2 27 4 80 Gar spail Acc 6 15 40 7 10 20 3 12 10 10 10 10 10 10 10 10 10 10 10 10 10 10 10 10 10 1	HILD DIFFERENCE SALES TO 12.7 V 12.2 26 B 39 B 20 B 2	FO Em 63, Carrier, Ren 424 678  Burnoll Share Share Share O 634 84401  Burnoll Share	Set of Tell (1997) 1	Productive Access - SAFF ALL ## 33 - Maria   2-2 - 2   1   1   1   1   1   1   1   1   1	Segme beingter 1944 hat had all the market The Proposed Segme beingt 1945 has a share The Proposed Segme beingt 1945 has a share propos
High Yield 5 85 67 85 67 90 75 -0 185 75 (Accom Holist) 5 25 6 4 25 6 4 25 6 4 20 5 7 (185 75 186 186 186 186 186 186 186 186 186 186	James A 1	table Unit Trust Managers Ltd (1600)F Gro St. Affector Backs HP21 70N. 0296431460 Mo Market Backs HP21 70N. 0296431460 Mo Market St. St. St. St. St. St. St. St. St. St	naville Unit Tst Magent List (06:59)F Live 77 Manel St. London El 88F 077-0881272 Life 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	To file and 1 de 46 de 4	Section   Sect	Philips & Dever Unit Ministry 1.26 (14460)	reproductive   12 10 7 10 7 10 10 10 10 10 10 10 10 10 10 10 10 10
UK Growth 51406 4 400 4 430 510 213 50 14 100	Access Units 3 \$5,97.50 98.30 621 70 1-439.5 07 148-848.  Assert Portfolio \$46,921.8 877.08 97.00 98.312 91 148-848.  Assert Isins \$46300 00.00 00.00 98.92 91.2 91.5 148-91.  Assert Isins \$5,97.3 66.39 69.00 00.00 148-91.2 91.5 148-91.  Assert Isins \$5,71.16 77.1 16 75 71 1-1147.3 10 Fare Execute Please \$1,98.9 10 1100 01 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 11.0 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 115-001-2005 6 \$2,000 115-001-2005 6 \$2,00	r Inc Acc	fund fistatagers Lieuted (1000)7 eirona fill (1501)2 Hold (158 127 0995 1978) sed Accrism 5 1117 0 118 9 124 2-1408.44 sed Accrism 5 1117 0 118 9 124 2-1408.44 sed Lieuter 5 113 1 2 133 3 140 14 651 50 sed Lieuter 5 113 2 133 3 140 14 651 50 sed Lieuter 5 113 2 133 3 140 14 651 50 sed Lieuter 5 140 7 150 3 158 2-0 120 10 redian Royal Ex Unit Mgrs Lid (1200)8 serious Errimor Sc. Locim E14 982 077-58 9868 serious 6 118 4 118 4 118 4 10 118 4 serious 6 118 4 11	Landga & Manchester Tst Mgant (1600)R Wallade Park, Entre PS 105 0392 272673 American 5 (5.05 65 40 48.7) 427 13 1 General 64 13 64 514 69.22 131 4 5 Instantational 64 13 64 514 69.22 131 4 5 Instantational 64 61 5 62.03 62 7 62 7 10 1 1 Journ 64 61 5 62 7 62 7 62 7 10 62 1 10 0 Instantational 64 61 5 4 6 62 1 62 62 62 62 62 62 62 62 62 62 62 62 62	James Growth	President Life Unit 7st Maps List (1400)F 37 President Life Unit 7st Maps List (1400)F 37 President M. Repeath Heath D444 05772 Li Westly Inches 6145.53 will 31 0614.285 M Principal Unit 7rest Mapset List (1600)F 14 Seeth Park Sements Kent FUI 14M 0727 24070 M Principal Vis. 54, 1947 27 % 56 102 3214 2010 M Principal Vis. 54, 1947 27 % 56 102 3214 2010 M Principal Vis. 54, 1947 10 6 76 07 2144 1011 M Repeat Westler St. 10 7 76 107 76 110 456 188 10 Com 4 541 557 4 110 456 188 10 140 140 140 140 140 140 140 140 140	patry browner   1 km   1977   22 200   1 km   1 km   1977   22 200   1 km   1 km   1977   22 200   1 km   1
Accementator 5188a.5 88b.5 944 11-0.303 72  Accementation 5180a.5 88b.5 944 11-0.303 72  Accementation 5185.23 36.28 38 6.31-0.32 1.88  High bacome 5 735.5 338.4 381.6+0.315.27  Loudy incorne 5 735.5 338.4 381.6+0.315.27  Loudy incorne 5 735.7 325.7 208.4 11.86 13.5  Loudy incorne 5 725.7 25.7 219.0 5.28  Corn Securities 5182.0 20 06 30.53+0.318.12  Accementation 5182.0 20 06 30.53+0.318.12  Loudy acceptation 5182.0 20 06 30.53+0.318.12  Loudy acceptation 5182.7 125.6 4.5 10.70  Loudy acceptation 5182.7 125.6 4.5 10.70  Loudy acceptation 5182.7 125.7 1	For Lett 39 and 3-14 (1-28) 1-16 3 for 44 73 104 -17 11 11 11 11 11 11 11 11 11 11 11 11 1	Image   Imag	aged 6   102 4   103 ast 110 6   41 5   21 1 1 4 1 5   21 1 1 4 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Amer Smill: Cos. 5 78 26 79 90 84 50 41 1 - Learn Units. 5 77-95 51.70 84 40 41 1 - Learn Units. 5 77-95 51.70 84 40 41 1 - Learn Units. 5 77-95 51.70 84 40 41 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Excess	Section   Sect	
Com & GR	Cess are 1 22.11 22.12 22.15 29.11 11.27 20.1 11.27 20.11 11.27 20.11 11.27 20.11 11.27 20.11 11.27 20.11 11.2	General   Gene	all Growth	Earcheat Disibled 5 (47.24 AP-10 52.50) of 1.5.28 (Locum briefs)	Accom Units - 5-1, 58-67 68-67 72.777-4943 21 Gentral Empires: 5-1, 68-68 64, 56-671, 615-67 10 15-67	Apprixes - 6 9746 9746 41 41 414 57514 1 Emerging Miles F 6 1826 1826 1834 1844 1810 48 DK Sanathe Co.F 6 19.15 19.17 21.18 1871 48 GRiffurther F 54 227 22.08 24 57 1 10 27 18 Gallett FEP F 54 2742 30 28 3221 1812 19 10 Providence Capital Fd Myes Lin (1900) F De	######################################
Triple   Commence   Triple	Cazenove Unit Trust Margant Ltd (2200)F Li Tokentove Vard, Leede DCTR 7AB (771-056 771	5 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Manacapi Ac. 1/1   23 96 79 50 31.271+0.20.81	Secretaria   Sec.   1,70,84   71,80   71,50	and Letters \$1, 20.05 20.05 21.30 of 17.0.25 Property Starts \$51, 20.05 20.05 26.05 5.095 4.092 Of Property Starts \$51, 20.05 25.05 5.095 4.092 Of Property Starts \$51, 20.05 25.05 5.095 4.092 Of Property Starts \$51, 20.05	European Act	Accomm
Baillie Giffred & Ca Ltd (1400H) 10 Gleshrias St. Editstrays 10 Gleshrias St. Editstrays 10 Gleshrias St. Editstrays 10 Gleshrias St. Editstrays 10 Gleshrias St. 10 Gleshrias 10 Gleshrias 10 Gleshrias St. 10 Gleshrias	Rib Americas Cob. 35, 152 IB 52.18 52.18 52.16 11.18 12.18 1	Sec. Sto	Indicates	MGM Unit Managers Ltd (1000)H MGM Roase, Beene Ri, Worthing Dealing (277 2010). High Secure F. 2010 20 202 202 21 40 46 38 GACCOM the Firm 3 422 2 202 21 40 46 38 GACCOM the Firm 3 422 2 47.1 443,7-40.66 38 HIC Corvoth F. 5 305 7 307 327 3-0.74 41 Macages the Firm 3 305 4 30-3 307 30-3 40 40 Macages the Firm 3 305 4 30-3 30-3 30-3 30-3 40 HIC Corvoth F. 5 304 4 30-3 30-3 30-4 30-4 30 HIC Corvoth F. 5 30-3 40-3 30-4 30-4 30-4 30-4 HIC Corvoth F. 5 30-3 1 30-3 30-4 30-4 30-4 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 40-3 21 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 40-3 21 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 40-3 21 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 40-3 21 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 40-3 20 HIC Corvoth F. 5 30-3 1 18 31 20-3 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20 HIC Corvoth F. 5 30-3 1 20-3 20 HIC Corvoth F. 5 30-3 20-3 20 HIC Corvoth F. 5 30-3 20 HIC CORVOTH F.	Access Units: 54, 159,00 59 00 63 85;4159,01 SE AMA H 54, 1167,7 167,7 161,214,214,214,214 Oversian harmony final for the Seat 70, 116, 116, 116, 116, 116, 116, 116, 11	or water constant. 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Accom
30 flower St. London, ECAN 188 1 97 1-236 (210) Berl B. O's St.	City of London Unit 7st Mays Ltd (1000): Except Station 1st Entire Iv. London E274688 (03241214 Act are Assets Sen 12 1119 20 19:20 19:94 10 00 Clerical Medical Unit 7st Mays Ltd (1200): Extra Pales, Bristo 19:21 Unit 7st Mays Ltd (1200): Extra Pales, Bristo 19:21 Unit 7st Mays Ltd (1200): Extra Pales, Bristo 19:22 20 21:39 19:30	an loc — — 9 (33) 18 (3) 18 (34) 4 (47) 1.15 (47) 1.25 (	on 8, Austra 5% [67 58 [67 79 157 70] 40 056, 21 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Maidon Unit Trast Managers Ltd (1400)F 15 St Botslett St. London ECSA 7EE 03: 226,606 Matter Gerrard 01:162 116 2x 119 3x 119 3	bed Gesth	PM Interior & Sci \$154.07 94.09 100.01-0.48.39 PM Interior & Sci \$165.84 & Spr. 70.04.49.91 — Ear PM Interior & Sci \$165.84 & Spr. 70.04.49.91 — Ear PM Interior & Spr. 70.47 & Spr. 70.4	## 18
DO ELLIZA INCOME. 5-6 10.3 67 95.20 10.1 9 10.7 2 526 DO FILIDATION . 5-6 10.5 9 45.20 10.1 9 10.7 2 526 DO FILIDATION . 5-6 10.5 10.5 10.5 10.5 10.5 10.5 10.5 10.5	Returement Acc	Tel.	rest income 5 * 60.05 60.35 60.35 60.378 45 50.378 45 50.317 60.55 60.35 60.35 60.35 60.378 45 50.317 60.35 60.35 60.35 60.35 60.378 45 50.317 60.35 6	Guide to pricing of Au Compiled with the assistance of BRITIAL CHARGE curps made on sain of units the offering market on sain of units that in other marketing and administrative costs, including commissions pad to informations. The dumps is behald in the pairs of units.	thorised Unit Trusts  Lautro §§  HISTURIC PRECING: The later H decolar dust the congress with recording that the price of	Hothers High Inc 6   75 ii 77   1.14   10   33   40   16   22   Hothers Had Gerb 6   12   17   1.14   10   33   40   16   27   14   Hothers Had Gerb 6   15   17   12   13   14   14   14   Hothers Had Ser Gerb 6   15   17   12   13   14   Hothers Had Ser Gerb 6   15   17   18   18   18   Hothers Had Ser Gerb 6   15   15   15   14   15   15   Hothers Had Ser Gerb 6   15   13   15   15   15   15   Hothers Had Ser Gerb 6   15   15   15   15   15   15   Hothers Ser Gerb 6   15   16   16   17   16   17   Hothers Mar Gerb 6   15   17   12   18   15   15   15   Hothers Mar Gerb 6   17   17   17   18   18   15   Hothers Mar Gerb 6   17   17   17   18   Hothers Mar Gerb 6   18   18   18   Hothers Mar Gerb 6   18   18   18   Hothers Mar Gerb 6   18   Hothers Ma	ary (Albert E.) & Co (1000)F  no. 5 Rayleigh Rei Hatten, Breshaud (2004)  priving (277 2770) — Dealing (277 2670)0  hit Purine (277 2770) — Dealing (277 2670)0  hit Purine (4 7 26 125 1 124 1 124 1 125 277 2670)  per & Friedlander UT Mignet (136 (2000))  per & Friedlander (136 (2000))  per & Fri
Do Treater . 54, 128, 4 128, 4 128, 0 -0, 44, 35 Do Usbel 71, 110 Do Usbel	CU Ministy inc Plus 5 6 41.66 6 22.00 45.53 4 070 19 99 4 20.00 1 Managed 5 52.00 52.51 in 5 5 80 4,07 5.26 46.00 mm 2 5 25.1 in 5 5 80 4,07 5.26 46.00 mm 2 5 25.51 in 5 5 80 4,07 5.26 46.00 mm 2 5 25.51 in 5 5 80 4,07 5.26 40.00 15 2 5 2 5 2 5 2 5 2 5 2 5 2 5 2 5 2 5	Series   -7   19-5   16-5 - 17-5   1-0   10-0	Sammel Unit Tst Mayes (1200)**  Control Mayes (1200)**	OFFER PRICE. And called code place. The purp at which lands are lought by sheetings.  BID PRICE: Alon called redemption poles. The period at which units are said bank by sevention.  CARCELLATION PRICE: The measure redemption price. The measures redemption price. The measurest spread between the other and ode prices in action to exhibit an exact of a format laid down by the government is celebraried by a format laid down by the government is created and fars a result, the bid saids a wash narrown spend. As a result, the bid saids a wash narrown spend. As a result, the bid saids a wash narrown spend to be carcellation price. However, the big bids said his expended to the carcellation price to by the managers at any spender of the carcellation price is the said by the said of th	Interviewing portrion revolution or a yearth to a forward pricip basis. The unsurgers must that at a forward pricip basis, and they extend to forward placing at any time.  PORTRIAND PRICIPACE. The latter F denotes that the messagers deal at the price to be set on the messagers deal at the price to be set on the next valuation, threatons can be given no desirable price in advance of the poscione or mis being clared out. The place appearing at the messager are the most recent provided by the transparer are the most recent provided by the transparer.  SCHEMIE PARTICIPATION ARED  REPORTS. The cross council provides scheme particulars can be obtained free of charge from food	Bedance (bot) 6 139 5 149 5 149 5 16 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	WE arrows
Exempt F	CO ON- UK Spec Set 6 66.05 46.05 72 39 (4)4.62 10 600	mi		TIME: The lane stores alongs to the famil assumer's mater is the fine of the nost tout's value on point unless arounds fine it, sufficially the symbol alongs the touchetout sufficial the symbol alongs to touchetout sufficial than it. symbol are to tolers (\$7) - 0001 to 1100 touck (\$4) - 1101 to 1400 bases (\$4) - 1401 to	Cher explanatory notes are contained in the last concern of the private service.  25 Like Assessment and Clair Treet Regulatory Cognitioning.  Control Privat.  183 New Content Street, Leaders WCLA, 1031  Tel: 671 – 272 – 6444.	NC S-air Coade Co., 64-5 CZ. 55,02 M, 32-6,146 etc.  NC S-air Coade Co., 64-5 CZ. 55,02 M, 32-6,146 etc.  NC S-air Care Co., 6507,44 207,44 222 46-6,201,54  SAR Sensite Care 5607,44 207,44 222 46-6,201,54  SAR S-air Co 5-2, 66, 47 42,16 52,44-12,16  UK S-air Co 5-2, 66, 47 42,16 52,44-12,16  UK S-air Co 5-3, 64, 57 42,16 52,44-12,16  UK S-air Co 5-3, 64, 57 42,16 52,44-12,16  UK S-air Co 5-3, 64, 57 42,16 12,16  UK S-air Co 5-3, 68, 68, 68, 68, 68, 68, 68, 68, 68, 68	Befined Life Int Magnet Life (\$6279)  Beffe S. Edinbert 1922/27  Beffe Beffe S. E

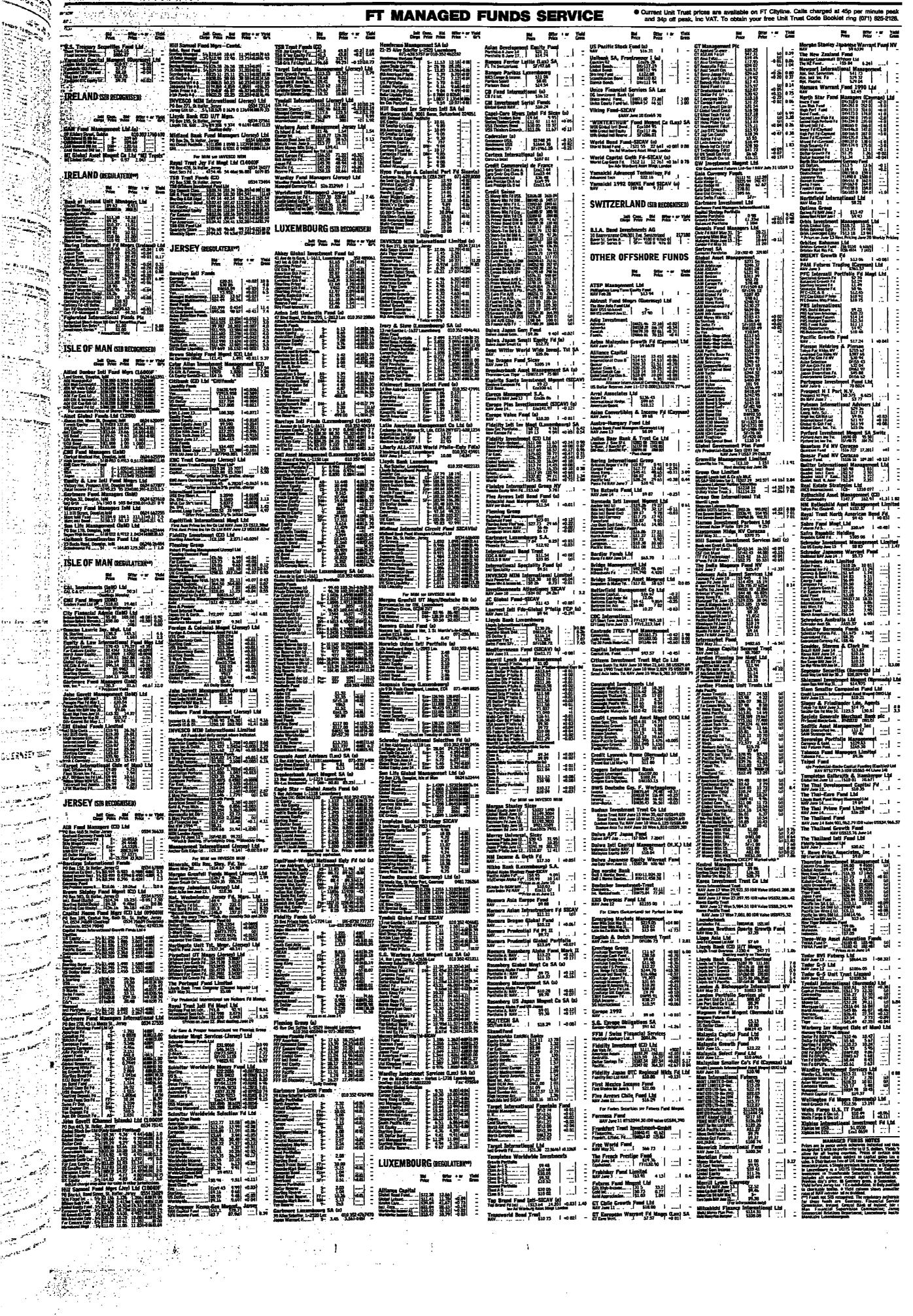


### Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peal FT MANAGED FUNDS SERVICE and 34p off pask, Inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128 Price Price - Grass Price Price Crussader Insurance Pic Release, Serry 812 816. Life Floods Life Floods Mantered Performance. 1113 9 Performance Pies. 109.9 Performance P 1976 1368 1381 951 1204 1376 1208 1618 | April | Deck | Eagle Star Life Assertant Bath Road, Crettenbur CL53 77 Score Ford Blay Chip Fund. 1974 9 Blay Chip Fund. 1974 9 Performance Fund. 1983 1 Adventume Fund. 1983 1 Berth American pol. 1987 1 Berth American pol. 1983 1 Berth American 1 Berth Berth Berth 1 Berth Berth 111 Landbart Seci Azz 355 71 795 bb 6 6 45 Saper Fa 21 1879 - Guardian Ruyal Exchange - Royal Exchange | -03 +01 0793 514514 1067.3 252.0 225.5 27.6 448.2 884.7 725.3 358.4 267.2 140.0 283.6 414.4 223.9 119.2 119.2 119.2 119.2 115.7 121.2 115.7 121.2 115.7 125.7 426.7 8 Life Association of Scotland 113 Durdes St. Edinburgh EH3 SEB +0.1 +0.1 +0.1 +0.4 +0.4 033-550 5000 UK Enty Express 12... 42.40 44.51 Phillips & Drew Fund Managemen Small of 7, 1975 5... 676.3 85.8 150 99995544 9999544 9999544 9999544 127.4 395.3 267.3 169.9 322.6 173.9 276.6 262.7 189.1 116.7 29.6 | Manual | M | Profess | Prof Lancy Property Gitt & Fixed Interest. Indicate Lobed. Carl. North Assertica. For East. Interest Lonal Special Structions. Enrybeat. Enrybeat. Enrybeat. Eggitty & Law Assection Rosel, High Assection Rosel, High Assection Rosel, High Assection Rosel, Higher Assection Rosel Higher Income Highter 251.8 321.9 221.6 192.6 192.6 194.3 194.3 250.6 302.9 | Total legistary | Total legi **6306 887766**

3*	FT MANAGED FUNDS SERVICE	Current Unit Trust prices are available on F7 Chyline. Calls charged at 450 per moute peak     and 34p off peak, and VAT. To obtain your free Unit Trust Code Socket ring (671) \$25-272.
Martional Financial Management Corp PLC   Assem Little   109   1	### Price   Friend   Price   P	### Plant   Tield   February   Tield   T
Direction   1987   19	Across Capet African   100 g   114 s   115 s	The color of the c
Nerwich Union Life Insurance Soc.   Serry Street, Rorack MRI. 386	Standard Life Assurance Company   36ctory St. Editory   102 222 2522   103 225 2522   104 225	100   100
Prop. Met. Green   14.3   348   84   40.1   500   500   700	19	State   Stat
Johnston   Special Control	Continue	Color
Property   19	Alleany International Accounts   1321 6   Alleany International Accounts   1407 0   Statury Constitutions   1608   1828   1608	11







### CURRENCIES, MONEY AND CAPITAL MARKETS

6". NOTRINAL LONG TERM JAPANESE GOYT. BOND Y100:0 1000s of 160".

Extrated solute 25062 (27392) Fresco Exps com et. 73007 (6925)

9". NOTICHAL ECO BOND ECO 200.008 10905 of 100".

Establish salaret 259 (436) Previos Alajo (200 no. 1679 (1627)

Est. Yell first figs top street 49580 (46795): Promises days aprol est. 138436 (14036))

90.96 90.96 90.96 91.12 91.35 91.52

90 80

FT-SE 100 INDEX E25 per falt ladez petal

EURO SWISS FRANC SFR 1m pakets of 100°;

Estimated volume 601 (277) Previous 627's open not 5410 (5471)

Eximated volume 3624 (4771) Previous day's open list 33709 (33168)

Estimated volume 2792 (2345) Previous day's open fot. 16049 (16356)

FT FOREIGN EXCHANGE DATES

BAN-STERLING Ss per C

Spot 1,6265

**POUND - DOLLAR** 

1-min 3-min 6-min 12-min 1,6193 1,6062 1,5905 1,5692

### **FOREIGN EXCHANGES**

### Heavy selling depresses peseta

pressure again yesterday as fears of lower Spanish interest rates sparked off heavy selling by international fund manag-ers and caused the Deutschemark to rally and sterling to

The peseta has fallen by almost 21/2 per cent in the last week following reports that Spanish interest rates could be reduced once a productivity pact with trade unions has been agreed.

There has also been persistent suggestions in foreign exchange markets that Spain may accompany any move to the narrow Exchange Rate Mechanism band with a deval-uation of the peseta, although this was denied by the Bank of

There was near-panic selling at one stage yesterday as some large investors appeared to be caught out by the peseta's decline. Suggestions that the Bank of Spain may have inter-vened in the market helped break its decline.

Many analysts believe the fear of Bank of Spain interven-tion and the scale of the fall over the past week will cause the peseta to pause for breath. The D-Mark closed at Pta62.80, up 50 points on the day and more than a peseta higher on

The heavy selling of pesetas

£ II	n new y	ORK
Jun 17	Latest	Previous Close
£ Spet	1.6250-1.6260 0.74-0.72pm 2.06-2.03pm 5.88-5.78pm	1.6325-1.6335 0.73-0.71pm 2.04-2.01pm 5.75-5.65pm
Forward premiu	as and dispends as	ply to the US dollar

STERL	ING INI	DEX
	Jun 17	Previous,
8.30 azu	- 89.7 - 89.5 - 89.5 - 89.5 - 89.6 - 89.5 - 89.5 - 89.5	89.9 89.9 89.7 89.7 89.8 89.8 89.8 89.9
CURRENCY	MOVE	MENTS
Jun 17	Bank of England Index	Morgan <sup>oo</sup> Guaranty Changes %
Sterling	89.4	-김2

Jes 17	Bank #	Special °	Earopean r
	rate	Drawing	Currency
	%	Rights	Unit
Sterilon U.S Dollar	- 6.00 9 06 7 10.50 6.50 7.75 10.50 10.00 19 -	0.805290 1.31222 1.50000 16.6376 48.68276 48.68262 2.36200 2.66263 1.761.60 185.089 9.24197 147.168 NIA 2.02410 NIA	0 701527 1.1398 1.30343 14 4287 42.2106 7.91033 2.05014 2.30983 6.9652 1529.63 160.851 8.02604 123.438 7.41672 1.7617199

These are not quoted by the UK, Spain and I European Commission Calculations

	* All SOR rates are for Jun 14 OTHER CURRENCIES							
Jun 17	3	5						
Argentina	16116 4 - 16142 6							
Australia Brazil	2.1390 - 2.1410   478.620 - 479.410	1.3185 - 1.3195 294.900 - 295 200						
Finland	6.9155 - 6.9280	4.2670 - 4.2700 193.900 - 197.780						
Greece Hong Kong	315.300 - 321.600  12.5085 - 12.5245							
korea(Sthi	113.00° 1171 70 - 1190.60	69 50° 720 50 - 726 10						
Kuwait	0.4705 - 0.4715	0 2905 - 0.2915						
Luxembourg Malaysia	60.15 60.25 46175 4 6765	36 95 - 37.05 2 7890 - 2 7916						
Mexico		3015 00 - 3016.00						
N.Zealand Saudi Ar	28160 - 28210 60825 - 61405	1.7360 - 1.7390 3.7490 - 3.7510						
Singapore	28965 - 2,9035	1.7865 - 1.7885						
SAF(Cm).	1 4 6660 - 4,6770 1 5,4120 - 5 5040	28810 • 28825 3 3335 - 3 3900						
Tarwan	44.45 44.55	27 15 - 27.20						
UAE	5 9550 - 6.0135	3 6720 - 3.6740						

**MONEY MARKETS** 

UK MONEY rates were firmer yesterday as sterling's losses and the government's poor standing in opinion polls put a

question mark over the possi-bility of an immediate reduc-tion in interest rates. The Bank

of England's money market operations also led to a harden-

ing in rates.
The Bank last week discour-

aged speculation about an

11.5 per cent

from May 24, 1991

down the Exchange Rate

Mechanism grid, there is a

growing feeling that a cut in

rates may be postponed until

next month. However, others

believe the government might

move to cut rates earlier, in

order to improve its political

One senior money market

dealer said opinion was evenly divided between those

expecting political factors to

force an early cut and the rest who anticipate currency

Three-months money was at

11% % per cent, up from

11%-%, while one year was at 10%-%. from 10%-%. In the

considerations to dominate.

standing in the country.

Higher UK rates

ciary. The mark rallied against the lire and the French franc; it also strengthened against the yen. Another effect of the peseta's weakness was to lower ster-

ling's floor against the D-Mark from DM2.9150 to DM2.8850. With the Bank of England now obliged to intervene at a lower rate, there was less fear of sell-ing sterling at current levels.

Sterling was also weakened by worries over the government's political standing. The most recent opinion poll has put the Conservative government some 10 points behind the opposition Labour party. Speculation of a further interest rate out also depressed the est rate cut also depressed the

The latest May retail sales figures, which reported another decline, was a further sign that the economy is still

THE PESETA was under pressure again yesterday as fears of lower Spanish interest D-Mark being the main benefities will be needed if consumer confidence is to be revived in time for the next general election, which must be held no later than June of next year.

Sterling closed yesterday at DM2.9250 from DM2.9350: at \$1.6265 from \$1.6400; at Y229.25 from Y230.50; and at FFr9.9325 from FFr9.9675; it was unchanged at SFr2.5125. Sterling's index finished down 0.4

The US dollar rose modestly on hopes of stronger-than-expected April trade figures tomorrow. There was even speculation that the deficit could narrow to just \$2bn compared with \$4bn in March. However, most analysts expect a delicit of around \$4bn.

The dollar closed higher at DM1.7980 from DM1.7890; at SFr1.5450 from SFr1.5325; at Y141.00 from Y140.50.

EMS EUROPEAN CURRENCY UNIT RATES									
	Equ Cestral Rates	Currency Amounts Against Eco Jun 17	".a Change Incara Central Rate	"s Spread of Western Currenty	ाद्धरम् क्रास्टरक				
Spanish Pesta Italian Lra Belgian Franc Detch Gelder D-Mark Irish Post Sterling Dansh Krose French Franc	133 631 1538 24 42,4032 2,31643 2,0558 0,767417 0,645904 7,84195 6,89509	129 438 1529 63 42 2106 2 30983 2 0511 0 767199 0 701527 7 91033 6 96642	-3 14 -0 55 -0 45 -0 45 -0 20 -0 20 -0 66 -0 80 -0 80	163 159 159 106 037 016 000	33 35 18 4 13 14 43 14 43 14 43 14 43 14 43 14 43 14 43 14 44 14 44 14 14 14 14 14 14 14 14 14				

POUND SPOT - FORWARD AGAINST THE POUND

Jus 17	Day's spread	Close	One month	6.	ीजस् सद्भान	33		
Ireland Germany Portugal Spain Haly Itomay France Sweden Lapan Sweden Sweden Sweden Sweden Sweden Sweden Sweden	1 4225 - 11 4625 9 9150 - 9 9475	1 4250 - 1.6270 1 8550 - 1.8560 5 2500 - 3 3006 60.15 - 60 25 11.2860 - 11.2860 2 9225 - 2 9275 2 925 - 2 9275 11.4450 - 11.4560 9 9275 - 9 9375 11.4450 - 11.4560 9 9275 - 2 9 9375 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0 73-0 71.00m 0 45-0 40.00m 1-4-0.00m 1-4-0.00m 1-1-0.00m 21-9-0.00m 21-9-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m 1-1-1-0.00m	517557883149	200	50%8%8%8%8%80777777777777777777777777777		
Commercial rates taken Lowards the end of Landon trading Sir-manth termand dollar 3 63-3 55ccm 12 Edents 5 78-5 68cpm  DOLLAR SPOT - FORWARD AGAINST THE DOLLAR  Jun 17 Day's Dove One occurb (** ** ** ** ** ** ** ** ** ** ** ** **								
relandt Janada Hetherlands Selghum Deumark Sermany	39484 16230 - 16270 14835 - 14885 1420 - 11435 20225 - 20325 3675 - 3710 6,9150 - 6,9500 1,7935 - 18010 1,7935 - 18010 1,7935 - 18010 1,7935 - 1,5935 11215 - 113,75	1 6260 - 1 6270 1 4850 - 1 4860 1 1425 - 1 1435 20245 - 20255 36 95 - 37 05 6 9350 - 6 9400 1 7975 - 1 7985 159 00 - 159 10 113 05 - 113 15	0 73-0 71cpm 0 53-0 48cm 0 28-0 27cm 0 52-0 55cm 8 00-10 00cm 180-2 10cm/s 0 43-0 44cm 180-130cm	531 408 -268 -317 -272 -337 -290 -368	2,65-2,02cm 1,45-1,35cm 0,68-0,736m 1,56-1,516m 24,00-30,002cm 5,45-0,15cm 1,29-1,36cm 270,130cm	500 380 -247 -392 -392 -254 -255		

<u>=</u>	UKU-CI	HHEN	TY INT	EREST	HA I EŞ	
Jea 17	Short Lerm	7 Days notice	One Month	Titre Licetes	Sur Dands	Oct. Vetr
sterling S Doliar San Dollar Joneth Guider Joneth Guider Joneth Franc John Franc John Franc John Franc John Krone Kslan SSing Lunish Krone Kslan SSing	113 - 113 54 - 54 95 - 84 75 - 75 84 - 85 103 - 10 9 - 83 8 - 71 91 - 94 6 - 53	11½ - 11½ 6 - 5¾ 8½ - 8¼ 9¾ - 8¼ 8 - 7¼ 81½ - 10½ 11½ - 10½ 9 - 8¾ 8 - 7¼ 9 - 8¾ 8 - 7¼ 6 - 5¾	11 & - 11 V 61 - 10 V 81 - 8 81 - 8	11.5 - 11.4 6.6 - 8.6 8.7 - 8.7 8.8 - 10.4 9.6 - 10.4 9.6 - 10.4 9.6 - 6.4	1.500 1.500	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

EXCHANGE CROSS RATES											
Jpg 17	£	S	DM	Yen	F Fr.	S Fr.	H FL	Lira	CS	B Fr.	ECU
£	1	1.626	2,925	229 2	9.932	2.512	3.295	2176	1.855	60.20	1 422
S	0.615	1	1.799	141.0	6.108	1.545	2.026	1338	1 141	37.02	0 875
DM	0.342	0.556	1	78.36	3.3%	0.859	1.126	743.9	0.634	20.58	0.486
YEN	4.363	7.094	12.76	1000.	43.33	10.96	14.38	9494	B.093	262.7	6 204
F Ft.	1.007	1.637	2.945	230 8	10.	2.529	3.318	2191	1.868	60.61	1.432
S Fr.	0.398	0.647	1.164	91 24	3.954	I	1.312	866.2	0.738	23.96	0.566
H FI.	0.303	0.493	0.888	69.56	3.014	0.762	1	660 4	0.563	1B 27	0.432
Цп	0.460	0.747	1.344	105.3	4.564	1.154	1.514	1000	0.852	27 67	0 653
CS	0 539	0.877	1.577	123.6	5.354	1.354	1.776	1173	1	32.45	0 767
BFr.	1 661	2.701	4 859	380.7	16.50	4.173	5.473	3615	3 081	100.	2.362
ECU	0.703	1.143	2.057	I61.2	6 985	1.767	2.317	1530	1.305	42.33	1

Laten High Low Pres. 1 6200 1 6256 1.6198 1 6328 1 6000 1 6056 1 6000 1 6128 1 5900 1 5910 1 5890 1 5980 Yen per 1,000: French Fr. per 10: Lira per 1,000: Belglan Fr. per 100. FT LONDON INTERBANK FIXING Q1.00 a.m. Jun 171 3 months US dollars

11.35 per cent by the end of the
month.
The Bank of England
yesterday left the market slightly short of liquidity, and
this contributed to the
firmness in rates. The Bank
bought £802m of Treasury bills compared with a money
market shortage of £900m.

futures market. June short sterling was down 12 at 88.65,

early cut in rates, but dealers believe it has left the door open In Stockholm short-term to a reduction later in the yields rose as worries about the Swedish crown ahead of a But with sterling slipping bond issue unnerved the money markets. Six months paper was up seven basis UK clearing bank base leading rate

points at 10.90 per cent.
In Paris the Bank of France left its intervention rate unchanged at 9 per cent at a securities repurchase tender yesterday but drained a small amount of liquidity. The Bank of France accepted bids for FFr48.0bn against an expiring pact of FFr48.8bn. The French franc's weakness against other ERM currencies has made the government unwilling to cut

rates quickly. In Brussels fresh liquidity was added to the markets after the Bank of Belgium allocated BFr24.98bn on its seven day advances against government paper and commercial bills,

replacing BFT18.25. In New York the Federal Reserve refrained from open market operations. Federal funds were unchanged at 511

### The fixing rates are the arithmetic means resented to the nearest one-intesents, of the lost and offered rates for \$10m oxidat to the mean to five reference leads at 1100 a.m. each working day The Janes are Rational Westmissten Bank. Bank of Tokyo, Oceanothe Bank. Bank pure Rational of Paris and Rational Groups Generally Treat. **MONEY RATES NEW YORK** Treasury Bills and Bonds

Jan 17	Overnight.	Clarch Clarch	ive Nath	Times Manufe	Şız Montis	Loothard
rankfurt Paris Jurish Jurish Katardam K	870-880 95-94 75-75- 96-918 773-8 195-197- 85-9 104-10-2	875-890 94-95 74-85 905-915 745-76 115-115 84-94 104-104	860-845 911-911	385-900 91-91 71-84 910-920 72-74 111-1114 91-914 104-104	10;-10;- 68-9;1 895-9:10	9.60

Jun 17	Övernight	7 days notice	Vine Month	Three Mosths	Syz Months	Qpe Year
rbank Offer rhank Bid riling CDs 21 Authority Deps 21 Authority Bonds count Alfa Deps many Deposits mare Hoose Deposits sary Bills (Buy) in Silts (Buy) in Silts (Buy) in CDs 1 Linked Dep Offer 1 Linked Dep Bid 1 Linked Dep Sild	125 115 115 115	115 115 115	111111 - 41111111 - 65777440	11115 1115 1115	11 10 12 10	10111111111111111111111111111111111111

Treasury 8/11s (selli) one-month 11 ½ per cent three months 10½ per cent; six months 10½ per cent; Sank Bills (selli) one-month 11½ per cent three months 10⅓ per cent; Treasury Bills; Average tender rate of discount 10 7125 p.c. ECGD Fixed Rate Sterling Export Finance. Make we day May 31 1,991. Avered rates for period Jule 25, 1991 to July 23, 1991. Schoole 1 12,73 p.c. Schomes II & III. 12 87 p.c. Reference rate for remod Filay 1, 1991 to May 31, 1992. Schoole 1 12,73 p.c. Schomes II & III. 12 87 p.c. Reference rate for remod Filay 1, 1991 to May 31, 1994. Schoole 1 12,73 p.c. Schoole II & III. 1587 p.c. Local Authorite and Finance Houses seven days notice, others sell at 12 from June 1, 1991. Bank Deposit Rates for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent. Certificates of Tax Decosit Series 6): Deposit Exits for some at seven days notice 4 per cent.

### FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GULT FUTURES OPTIONS CSD,000 649s of 109".				LIFTE US TREASURY NOW FUTURES OFTIONS S180,000 4404 of 100%				Life's sting futions between Massion point of 180%			JES.
Street Property 25 87 89 99 90 91 90 91 91	585 24 345 465 345 247 247 247 247 247 247 247 247	Patroni (mars) Sec. Jac. Col. 6-37 Col. 6-37 Col. 6-37 Col. 1-39 C	Strike Process 99 90 91 92 93 94 95 96 96	\$16 420 230 230 230 230 240 250 250 250 250 250 250 250 250 250 25	200 275 2.50 2.55 2.50 1.54 1.59 1.67 0.54 2.65 2.65	500 0-14 0-40 0-40 1-24 1-39 2-39 3-25 2-765 7	200 0.98 1-16 1-39 2-01 2-70 2-70 3-13 3-45 4-33	Striet Free Sector Sector SECTOR SECT	500 173 132 976 945 943 917 917 918	######################################	7: 0: 0: 0: 0: 1: 2: 2:54
	FROMARK OPTIONS			HOORLE	II (277)(01) SP*.	<u> </u>		LIFFE SE	POINT STE	190° 097	
Strate 7-44 (1925) 9055 9155 9155 9155 9155	1 201 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	R::	Strike 7300 9325 9357 9357 9450 9455 9455 9455	081 081 081 081 081 086 000 000	5400005 540005 054 054 054 054 055 054 055 054 055 054 055 054 054	Pats R Jan 0 0 0 0 19 0 19 0 44 0 0 9	1249005 Sep 2.04 2.04 2.09 0.19 0.35 0.56 0.79 1.03 1.25	Str by Price 8775 8806 8825 8825 8825 8825 8825 8825 8825 882	CHI-10 July 0.40 0.40 0.25 0.01 0.00 0.00 0.00 0.00 0.00 0.00 0.0	1 14 1 14 1 14 1 14 1 15 1 15 1 15 1 15	Pa J. 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0
Electrical activate strain, Carlo 1223 Path 220 Principality September Callo Miles Path 24224			द्वित स्थान शिक्षदेख	Est maint volume traps (a.); O Pris O Printed Styr (myrs at Calls NES) Pale 1786				Estimated volume total, Cuts 3022 Prestout Say's open set. Gath, 5014			3022 3014
LONDO	ON (LIFFE)		CHICA	60							
28-YEAR 650.000	9° MOTIGMAL GIL 32nds of 100° .		U.S. TRE	SULY M	NDS (CRT)	8%		1334MES 122.5m S	YEX DI		
ادرار Sec	Che H 9 29.15 29-17 89-3	89-25	1.= 5m	Lit 93 92.	25 944	2 97. 8 92.	93-24	Jar. Sep	0.76 0.76 0.76	80 0.706 63 0.706	9 0

U.S. TREAS \$100,060 3:	URY MONDS Date of 1887	(CBT) 8'	·		Y22.5m S	YEX (1986) per 17200			
14 See	93-26 93-26 92-31 92-09	94-00 93-05 92-15	85.53 85.53 85.53 85.53	97-24 97-24 97-24 97-24 97-00	ine. Sep Sec May	0 7080 0 7080 0 7053 0 7063 0 7083	0 7069 0 7069 0 7060 0 7045	0 7080 8 7081 8 7081 0 7040	
Dec 22ar	:	:	:	92-15 90-11	DEUTSCHE SMIZS, MA	S per 200	Đ		_
Just Sec Dec	ney musi	: :	:	91-02 90-25	Jun Se: De: Na:	0.5556 0.5516 0.5488	0 5563 0 5523 0 5672	0 3552 0 3513 0 3548	
SIm points a	d 200%		1~	Prev	THEEZ-MO	ITH ENDIN	و يين		-
Jen	94 35	4 X	94.35 94.35	94.36	Sim points				
Sep Occ Mart Jun	94.22 93.83 :	94 23 93 83	94.22	94.22 93.81 93.70 93.30	Jing Sep Dec Mar Jon Sep Dec Mar	1381 9367 9276 9276 9278 9194 9164	######################################	1186 1186 1290 1275 1275 1275 1275 1284 1284	
SWISS FINAN SF+ 125,000	2 ba 22: ac doind				STANDARD SSN6 (Smb	& POORS S index	_		_
Just Sep Dec List	0 6468 0 6437 0 6410	15ch 0 6476 0 6445 0 6426	0.6446 0.6435 0.6410	Pret 0 64% 0 6465 0 642 0 6429	Jan Sto Dec	361_19 363-95 367-50	High 362.30 365.15 367.60	380.70 383.50 386.70	
PHOLADELM E31,258 (ca	HIA SE 415 ets per £1)	OPT DENS						•	_

December 105.54 105.04 Narch 104.94 Stummled tolkense 93,938 Total Open Inte 4.248 4.629 OPTION ON LINES-TEEM FRENCH MINE (MATTE) 119

16.916

**BASE LENDING RATES** McDemell Douglas Bek . Midland Bank ........ Mount Ranting ........ Ral Westninster ...... ABN Bank All Bard.

All Bard.

Best Asshader.

8 & C Merchant Bark.

Bart of Barota.

Basco Bilkae Vincaya.

Bart Creft & Comm. Figuratial & Geo. Bask First Markeyal Bank Pic. 14

Robert Fleming & Co. 115

Robert France & Pluss. 12

Grathank 115 Hassbros Bank 11.5
Hasspakire Trest Pic 13.5
Harspakire Trest Pic 13.5
Heritable & Gen for Balt. 11.5
Heritable & Gen for Balt. 11.5
C. Hoare & Co. 11.5
Houghout & Stanghai 11.5
Houghout & Stanghai 11.5
Houghout & Stanghai 11.5
Henold Jeseph & Socs 11.5
Lippid Bask 11.1
Heghraj Bank 11.1
Heghraj Bank 11.1
Heghraj Bank 11.1 Banque Beige Ltd Barclays Bank Benchemark Bank Barit Blood Hild East. Citibank NA 



Manhattan-Windsor W "Contractors to H.M. Government Steward St., Birmingham B18 7AF, England. Fax: 021-454 1497

VERNER AMELL 4 Ryder Street S.W.1. 071 925 2759 OLD MASTER PAINTINGS

until July 19 Mon-Fri 10-5.30

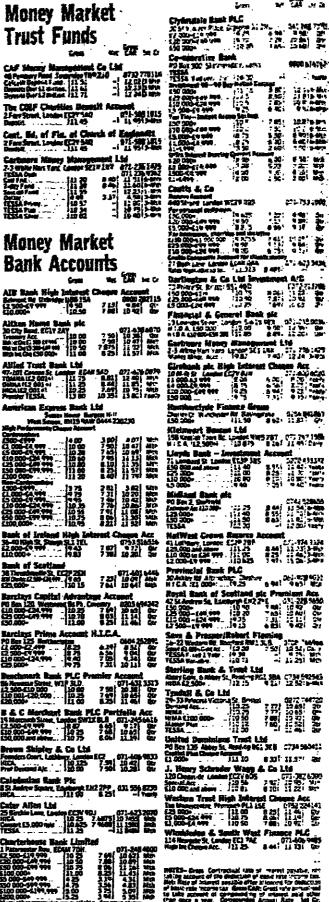
ART GALLERIES

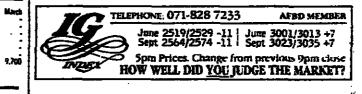
WIMBLEDON Debeuture Ticket Homitality ins, doe to cancelled Am options, especially the last few days of Toxtmement. from £295 per person il compliano with All Bagland Chile new ring regulation. Telephone 071 370 4068

**PERSONAL** 

TURN CURRENCY RISK TO YOUR ADVANTAGE GAIACORP 071 493 7455 **CURRENCY MANAGERS** 

### MONEY MARKET FUNDS





大学 大学 大学

4

### **CROSSWORD**

No.7,571 Set by VIXEN

- 5 Softly plays over lest distur-bance is caused (7) 6 Plot calling for sound vision
- 1 Hardy will set one right in the break (9) 6 Shy, but make a song about the Left (5)
- 9 The guy seen in topping weer which is quite inexpensive (5) Writing about caustic come
- back and lying (9) 11 Consider becoming involved in a rebel organisation that's worth saving (10)
- 12 Measures people may take a stand on (4) 14 Builders go under, though payment is made (7)
- payment is made (1)

  15 A way to get by at river height (7)

  17 Girl models are evil! (7)

  19 A copper provides cover for such pests (7)

  20 Mark of the Devil! (4)
- 22 The person giving patient attention in the wee small hours (5-5) 25 He's by no means outspo-ken! (9) 26 Present for the service (5)
- 27 Yes indeed the really good person should get a rise (5) 28 Making pickles tires a man
- DOWN 1 Come round repeatedly about a dog (5)

  2 Rush – a spring flowering
- plant (9) 3 They must watch their lan-
- guage! (3-7)
  "Never complain and never --- advised Distaell (7)
- MULTUR STRANGER
  A A M A B A W
  TIPPER ADQUITUS
  S G R W T G M S
  TELEGRAM ADMERE
  A E B R A A B T
  WOON RINGERT
  D R M S H T S P
  CALCUTT GRAN
  B N R M A C E I
  AGOUTH ATLANTIC
  R R I D E S I D
  REWUNDER STRAUM
  A A E A L W E
  TELLTALE DEODAR

(4)
7 A robber dropping the cash, gets angry (5)
8 The exaltation of newly cre-

ated sergeants! (9)

13 Not up to cleaning up the city (10)

14 Contributed, it's revealed

(5.4) 16 Insufficiently experienced

supporter basically (9)
18 Pointed remark of one beast in retirement about another

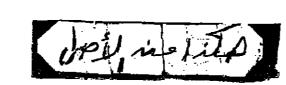
(7) 19 He'll stick with the woman

in a red ensemble (7) 21 Oriental country child in

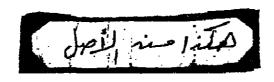
the American capital (5)
23 Not all viewers can see

Solution to Puzzle No.7,570

these pitchers (5) 24 Spy - a mole (4)



interpolation

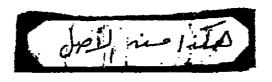


ET EL	FINANCIAL TIMES TUESDAY JUNE 18 19	301	
onto			OCK MARKETS
	Jumpitercluser	Colonia Vers   1,025   -5   AB   Amro Relies   38.46   +0.10   Estite B Free   203   +3   Estite B Free   263   +3   Estite B Free   265   -1   Estite B F	Select Stock   High Low Close Ching   Soles Stock   High Low Chine Ching   High Low Chine Ching   Soles Stock   High Low
days.	Cottogs	Lighteen u/v Prf 26.50 +2   Reyal Datch 159.50 -0.29   Reyal Datch 159.50 -0.29   Reyal Datch 159.50 -0.29   Reyal Datch 159.50 -0.29   Reyal Datch 154.40 -0.40   Reyal Datch 154.40   Reyal Datch 15	
	Soc Gen Belge AFY   4,000al   50	Mach West EP   17   322   4   16   16   16   17   17   16   16   17   17	## 1000 Can Pact ## 2504, 1815 254, 1936 24, 195 254, 195 254, 195 256, 1954 255, 295 254, 195 256, 295 254, 195 256, 295 254, 195 256, 295 254, 295 256, 295 254, 195 256, 295 255, 29
	FLS led 8 917 -3 Great Hordit 945 -1 1 945 -1 1	See 17	Reservent   1294.66   1287.75   1211.57   1227.61   1297.01   12
	Section   Sect	Bingmet  Blareff  1,128	S. S. P. Inflateful dis. yield   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.73   2.74   2.90   2.79   2.75   2.
VORD	Arritiss	Rispon 15 Gars   1,950   -21   Tektos Costr   1,200   -27   Pakestrigetal   0.98   -0.01   Rispon Form   81.8   -1.8   Tektos Costr   1,200   -20   Rispon Form   81.8   -1.8   Tektos Costr   1,200   -20   Rispon Rispo	14   13   12   11   1959   1
	Daiel State   709   43   Namial Chamical   870   -18   Nazave lad   -36   -26   Nazave lad   -36   -36   -36   Nazave lad   -36   Na	Riskination Contr.   0,60   -1.0	Mippom Staef
	Farus:	Recover	CONTACT YOUR NEAREST OFFICE  Phone Fax Phone Fax  Amsterdam +31 20 6239430 6235591 Madrid +34 1 5770909 5776813  Brussels +32 2 5132816 5110472 New York +1 212 7524500 3082397  Copenhagen +45 33 134441 935335 Paris +33 1 42970623 42970629
	Harzami-Gorel   916   41   Whish Steel   1,280   31   120   100	Setting Corp	Geneva +41 22 7311604 7319481 Stockholm +46 18 552312 552312  Helsinki +358 0 6940417 6949498 Vienna +43 1 5053184 5053176  Lisbon +35 11 808284 804579 Warsaw +48 22 489787 489787  FINANCIALTIMES  EUROPE'S BUSINESS NEWSPAPER
	Section   Sect		

Contraction of the Contraction o

The control of the co

The state of the s



# NASDAQ NATIONAL MARKET | March | Marc NYSE COMPOSITE PRICES NASDAQ NATIONAL MARKET 3:00 pm prices June 17 | Test | AMEX COMPOSITE PRICES 291<sub>2</sub> 227<sub>6</sub> Unosed Cro 89 413<sub>2</sub> Unit in Corp 401<sub>1</sub> 401<sub>2</sub> Unit in Corp 401<sub>1</sub> 401<sub>2</sub> Unit in Corp 201<sub>1</sub> 153<sub>2</sub> USLICE Inc 11<sub>2</sub> 231<sub>4</sub> USL Min 257<sub>2</sub> 251<sub>4</sub> USL Min 257<sub>2</sub> 251<sub>3</sub> USL Min 257<sub>2</sub> 251<sub>3</sub> USL Min 257<sub>2</sub> 251<sub>4</sub> USL Corp 25 257<sub>4</sub> USL Corp 20 0.70 0.03 144857 24½ 24 24 21 0.1040.02 11 135 64% 63½ 63½ 63½ 1.180.02 172071 45% 44% 44% 1.000.05 9 28 0.23½ 23½ 23½ 0.02 0.11 D 77 65 65 65 0.02 0.11 D 77 65 65 65 1.400.05 6751 24½ 23½ 24½ 1.40 0.05 1755 24½ 24 24½ 2100 0.24 24 23½ 6 27½ 27 27 1.52 0.05 11 612 0.25 24½ 24½ Company of the property of the **AMEX COMPOSITE PRICES** ## Chang Black | Chang Black | Chr. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Clove Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Low Chang Stock | Div. E 108a High | Div. E 108a High | Div. E 108a High | Div. E 108a H A T & E-Azion Opr Air Expr Alfin Inc Abstriam Alpha Ind Alpha Ind Am Practa Am Sester I Amalain A Ampsi-AmA Ampsi-AmA Admini di 30 77 18<sup>1</sup>s 17<sup>1</sup>2 18<sup>1</sup>s +1<sub>s</sub> **EUROPEAN INVESTMENT LOCATION** The FT proposes to publish this survey on 4 July 1991, ·\* <u>«</u> •. Competition between national regional and local governments for a share of the corporate investment now being undertaken across Europe, is intense. To ensure that your region is seen by senior European businessmen involved in decision making about business premises/industrial sites. call Ruth Pincombe on 061 834 9381 or fax 061 832 9248 for a copy of the editorial synopsis and advertisement rates. FT SURVEYS

# in narrow trading range

### **Wall Street**

SHARE prices were stuck in a narrow trading range yesterday morning as persistent weakness in IBM stock held back any attempt by the market to stage a rally, writes Pat-rick Harverson in New York.

At 1 pm the Dow Jones Industrial Average was up 0.89 at 3,001.34, having spent all morning a few points either side of the opening mark. The more broadly-based Standard & Poor's 500 was slightly lower, down 0.77 at 381.52 at 1 pm, while the Nasdaq composite of over-the-counter stocks was up 0.32 at 495.39. Turnover on the New York SE was only 79m

shares by 1 pm.

The market's failure to follow through last Friday's strong gains suggested that many investors remain unconvinced that an economic recovery is under way. Although recent indicators have pointed to a turnround, some analysts have warned that the April and May statistics may have been distorted by unusually hot weather across the US, and that there could be more bad news to come before economic conditions really begin to

ping \$% to \$99%, the first time the stock has traded below \$100 for eight months. IBM has been afflicted by poor earnings growth and signs of manage-rial divisions within the group. A recent leaked memorandum which revealed strong critiism of senior staff by Mr John Akers, chairman of the computer maker, was particularly damaging to market sentiment. An announcement yesterday that IBM is setting up a wholly-owned subsidiary in the Soviet Union failed to lift the gloom surrounding the shares.

Other big computer stocks were dragged lower by IBM's weakness, with Compaq slipping 8% to \$33%, Hewlett Packard dropping \$% to \$51%, and Digital Equipment giving up \$% at \$65%. Unisys, however edged \$% higher to \$4 ever, edged \$1/4 higher to \$4, and Motorola put on \$% at

AT&T firmed \$% to \$37% after Mr Robert Allen, chair-man of the telecommunications giant, said that the transition phase of the group's acquisition of NCR, the computer group, was progressing quickly. HJ Heinz, the food group, rose \$¼ to \$38% on news of a slight improvement in fiscal fourth quarter net share a year earlier.

Among over-the-counter issues Failure Group fell \$2 to tial Securities trimmed her estimate for the management consulting services group's 1991 earnings and downgraded her rating on the stock to a hold. Atmel Corp siumped \$2% to \$13% in brisk trading after the technology company forecast flat earnings growth for the second quarter. It said thatearnings would be between 18 cents and 19 cents a share, compared with 18 cents a share in first three months of this

### Canada

TORONTO stocks were flat in dull, midday trade after recov-ering from a mid-morning loss. Lack of corporate news and little movement on Wall Street or in the US benchmark 30-year bond provided Toronto with little direction. The composite index lost 2.0 to 3,557.7. Declines led advances by 187 to 160 on volume of 10.6m shares. Among the most active stocks were TransCanada. up C\$\% at C\$174 and National Bank steady at C\$11%.

### **ASIA PACIFIC**

### Turnover shrinks to 220m shares as investors retreat

### Tokyo

SHARE prices declined as investors, who had propped up the market on Friday with index buying, stayed away yes-terday. Volume fell back to previous levels, with only 220m hares changing hands after the hefty 900m registered on Friday, writes Emiko Terazono

*1 Tokyo.* The Nikkei average closed down 150.80 at 24,943.09 after a day's high of 25,100.31 and a low of 24,892.40. The index, which had risen above 25,000 for the first time in five days on Friday, failed to find support at that level yesterday.
Investors refrained from activity in the absence of fresh

news. Traders said most transactions were between dealers. Falls led rises by 500 to 421, with 201 issues unchanged. The Tonix index of all first section stocks shed 7.43 to 1.913.15. index eased 0.61 to 1.423.55.

Traders added that underlying fundamentals such as interest rates and currency "It is like a day after a holi-day," commented Mr John Courtney at WI Carr. But he added that investors were buy-ing some individual stocks with firm earnings forecasts for the business year to 1993.

Interest rate sensitive largecapital issues, which had
gained ground last Friday on
renewed hopes of an imminent discount rate cut, receded. Nip-

of the day, slipped Y8 to Y422.
Financials were also weaker as some institutional investors liquidated holdings. Industrial Bank of Japan dipped Y20 to Y3,590 and Mitsubishi Bank Y10 to Y2,740. Tokio Marine and Fire the insurer closed and Fire, the insurer, closed Y10 off at Y1,230 after touching

a low for the year of Y1,220.
Speculative shares plummeted on reports that the Tokyo Stock Exchange (TSE) plans to exclude cornered stocks from margin trading. At

resent, the TSE allows margin transactions in all issues listed on the first section. Honshu Paper, a speculative favourite, fell Y49 to Y941 and Toyama

Nagano prefecture in central Japan had won the bid to host the 1998 winter Olympic games. Total costs are estimated at Y370bn, including Y120bn for facility construction and Y76bn for managerial

sought, with Kitano Construc-tion adding Y300 at Y1,860. Uekigumi, which did not trade due to a lack of sellers, fin-

rumours of speculative buying. Rengo, a paper manufacturer, speculative interest, rising Y21

Kyudenko, the electrical engineer, closed up Y20 at Y2,680 after reaching a record Y2,720. The issue has risen over 20 per cent from its recent low of Y2,170 on capital spend-

ume of 20.8m shares. Nintendo retreated Y400 to Y14.100. The stock had risen last week as investors anticipated that it would be included in a major Osaka fund to be set up by a

strong local and offshore buy-ing. The All Ordinaries index rose 16.5 to 1,523.3. Turnover jumped to A\$288m from A\$178m, dominated by National Australia Bank, which gained 2 cents to A\$6.44

FRIDAY JUNE 14 1991

# Index Inde

Nagano-related issues advanced on news that the

expenses.

Mizuno, a leading sporting goods maker, rose Y30 to Y1,750. Construction companies based in Nagano were also

ished bid only at Y870.

Press Kogyo, an auto part maker, climbed Y25 to Y890 on to Y880.

In Osaka, the OSE average added 52.94 at 27,974.48 on vol-

WALL Street continued to have a positive effect on the Pacific Rim. Hong Kong and Taiwan were closed.
AUSTRALIA was lifted by

on 13m shares exchanged as it went ex-dividend.

ANZ was active, rising 13 cents to A\$3.60 xd on rumours that it planned to sell its 6 per cent stake in Coles Myer. Fosters Brewing, on a large turnover of 22m shares, put on 6 cents to A\$1.58 as broker Ord Minnett dealt 17.5m shares in a special sale at A\$1.56 per share

just before the close.

NEW ZEALAND rallied on bargain hunting following the steady decline over the last few weeks. The Barclays index weeks. The Barclays index closed 18.15 or 1.3 per cent up at 1,440.43. Volume eased to NZ\$11.2m from NZ\$11.5m.
Fletcher Challenge led other blue chips higher as it rose 9 cents to NZ\$3.82 on the day's

heaviest turnover of 1.1m shares. Robt Jones Invest-ments shed 3 cents to 49 cents on volume of 1m shares after Friday's news of an overall loss of NZ\$40.2m in its fiscal year ended March 31, due to big home and in Australia.

MANILA tumbled 4.1 per cent on panic selling after the violent eruption of the Mount Pinatubo volcano. The composite index closed down 46.53 at 1,095.09 on volume of 204m pesos, against 156m. SEOUL fell in spite of gov-

ernment intervention. The composite index ended at 608.77, off 4.80 from Saturday, after thin volume of Won69.9bn. The Stabilisation Fund placed Won15bn worth of buy orders and three state investment trust concerns bought Won3.5bn of stocks but failed to reverse the losses. BOMBAY's index peaked at 1,323.39 before finishing up 14.40 at 1,307.21 on expectations

that the Congress party would form the next government in spite of falling short of a majority in the elections. SINGAPORE's Straits Times

Industrial index rose 6.58 to 1,534.08 on volume of S\$61.29 after \$366.13m. KUALA LUM-PUR's composite index gained 5.18 to 632.31 on 43m shares

74eld Index Index

THURSDAY JUNE 13 1991

traded (41.1m).

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

+1.1 -0.5 +0.3 -0.5 +0.4 +0.5 +0.5 +0.6 +1.0 +0.4 +0.3 +0.4 +0.3 +1.0 +0.3 +1.1 +0.3

# IBM weakness traps Dow Finland and Mexico register big declines

MARKETS IN PERSPECTIVE							
	*	žege iz ier	Y, charge storting (	% change by US S 1			
_	1 Week	4 Weeks	1 Year	Start of 1361	Shart of 1881	Start of - 1921	
Austria	-2.82	-0.39	-17.30	+ 15,91	+ 13.75	-3.34	
Belgium	+0.06	-1.96	<del>-9</del> .01	+ 16.44	+ 15.09	-2.20	
Denmark	+1.92	+4.91	-1.42	+22.59	÷20.68	+2,54	
Finland	-6.85	-2,38	-18,24	+ 18,42	+ 18.77	+0.92	
France	-0.02	÷1.05	-10.30	+20.52	+ 18.72	+0.89	
Germany	-0.42	+5.08	-8.53	+ 18.44	+ 16.48	-1.02	
Ireland	-2.21	+0.32	-17.21	+ 18.83	÷17.57	-0.09	
italy	+0.04	+6.51	-22.90	+17.77		-0.38	
Netherlands	+0.49	+3.93	+298	÷21,44	+ 19.61	÷1,84	
Norway	-3.02	-0.93	-11.96	+ 11.80		-6.15	
Spain	-0.42	-0.34	+1,30	+27.00	+27,90	+8.68	
Sweden	+0.05	+9.71	-7 <i>.</i> 72	+34.04	+37.29	+ 15.87	
Switzeriand	-0.61	+3.25	-6.14	+22.96	+20.39	+2.31	
UK	+0.75	+244	+3.87	+ 17.57	+ 17.57	-0.10	
EUROPE	+0.18	+284	-3.38	+19.17	+18.35	+0,56	
Australia	+2.23	-1.82	+2.24	+ 19.00	+37.23	+ 16.62	
Hong Kong	+0.32	-5.65	+ 14.78	+23.86	+47.14	+25.03	
Japan	-0.09	-1.52	-19.02	+ 10.85	+25.73	+ 6.84	
Maleysia	÷ 0.07	+4,64	÷6.67	+ 15.14	+31.18	+ 11.47	
New Zealand	-0.96	-6.93	-25.63	+12.01	+ 28.46	+ 9.12	
Singapore	-1.83	+ 1.22	-5.82	+29.20	+47.76	+25.55	
Canada	-0.52	+3.11	-0.19	+7.53	+28.48	+9.18	
USA	+ 0.64	+261	+5.44	+ 16.06	+36.58	+ 16.06	
Mexico	-6.04	+4.97	+ 101_22	+76.04	+ 102.87	+72.39	
South Africa	+2.85	+8.75	+8.70	+20.59	+43.85	+22.23	
WORLD INDEX	+0,29	+1.22	-5.57	+ 15.18	+28.33	+9,04	

By William Cockrane NCE AGAIN the big battalions had little to show at the end of last week, as the FT-Actuaries World Index rose just 0.3 per cent in local currency terms, modest gains in the US and the

UK outweighing an even more modest decline in Japan. In Tokyo, the market had to work hard to recover a 1.7 per cent decline sustained in the Nikkei index on Monday, June 10, as the yen eased and interest rates rose. Another short-lived excitement was a mp in the turnover figures last Friday, zooming from 270m shares to 900m on arbitrage-re-

Recovery prospects explain the rises in the US and the UK; but the US outlook is clouded. The technical analysis team at James Capel said last Wednesday that its charts indicated a global bull market but that the two most worrying trends were those in US bonds, and on US interest rates. "They are at the cliff's edge," said the team, "and if they fall off this will

which the built move is based."

More broadly they say that
many markets are suffering indigestion from too many rights issues or initial public offerings, and have left fund managers temporarily short of cash. Some of this year's corpo-rate profits figures, they add, have been similarly indigest-

conclude that all markets have a seasonal variation: "If they are going to webble on the trend they do it now. On bal-ance," they say, "we expect these bouts of gloom to produce better buying chances."
Last week's big buying chances, on this argument. chances, on this argument, were in the peripheral markets of Finland and Mexico, down by 6.8 and 6.0 per cent respectively. Helsinki had its latest flurry in the third week of May, following Sweden's May 17 decision to link the krona with the Ecu, which was followed, as expected, by a Finmark/Ecu link on June 7.

Mr David Roche, the Morgan Stanley strategist, argued at

Stanley strategist, argued at the end of May that Finland's integration with Europe, and the opening up of its equity

market make Helsinki equities a cheap, long term investment. However, the illiquidity of the market and the high premiums on some free shares have made one or two shares vulnerable in the short term: Pobjets, the

Stock

in the short term: Pobjeta, the insurance company, saw its free shares drop 14 per cent last week and Nokis free preferred fell 2.5 per cent.

Mexico, says lan Roife of Bear Steams, has been rising all year until iast week. Even this week, it is the best performing index of the year by a wide margin, followed by Sweden in Europe and Singapore in the Pacific Basin. Its fall was precipitated by the price was precipitated by the price Probursa, the brokerage house, was willing to pay in acquire Multibanco Mercantil, one of the 18 Mexican banks being privatised by the government over the next two years.

Probursa's successful bid priced Multibanco at 2.66 times book value, industrial groups in Mexico saw this, and took profits on their existing equity holdings to bid for the other bunks; investors switched out of industrials into bunks, and

SKr319m after SKr311m.

SKribn.

Volvo free B shares rose

SKr12 to SKr378 on news that the sale of its stake in Nor-

way's Saga Petroleum would

realise capital gains of around

ZURICH saw buying interest

in industrials and chemicals after Wall Street's gains on Friday, and the Crédit Suisse index rose 3.0 to 549.7. Nestle bearers rose SFr80 to SFr8.650

and Brown Boveri's by SFr40

to SFr4.570. Among chemicals, Ciba-Geigy bearers put on SFr30 to SFr3.060 and Roche

certificates closed SPr60 higher

### EUROPE

# Bayer features as Frankfurt rally peters out

CARMAKERS scored the share the big three chemical groups, took the top place in trading volume as Frankfurt tried to

take the initiative yesterday, urites Our Markets Staff.
FRANKFURT ran out of the from a rally in the automotive sector, although the carmakers managed to hold on to most of their gains. The FAZ index rose 4.39 to 717.43 in midsession but the DAX ended only 1.24 higher at 1.701.07, against an intraday high of 1,71821.
Volume climbed from
DM7.2bn to DM8.5bn. Daimler

rose DM11 to DM770 and Volkswagen added DM5.50 to DM412.10 on buying linked to the expiry of options this week. recovery prospects for the US economy, and the strong dollar which also left Porsche DM20 higher at DM885. Individual situations

Individual situations included a DM13.30 rise to DM376.50 in Viag, the packaging, energy and chemicals group which has received EC approval for its bid to buy Continental Can Europe; and a DM4.50 rise to DM203 in Continental, the German tyre company, as Pirelli Spa endeavoured to maintain its voured to maintain its bargaining position in its extended courtship of the com-

Chemical shares were mostly ower, as Degussa dropped DM9.80 to DM363 and BASF by DM4.90 to DM250.60. BASF's east German Schwarzheide unit sald on Sunday that it had unit said on Sunday that it had had a disastrous decline in business in the first five months of the year. Meanwhile, Bayer fell DM3.10 to DM281.50; it is going ex dividend on Thursday and London analysts said that this could explain why the stock led the most active list as it turned over DM1.5bn yesterday.

PARIS had a very dull morning, with only FF1600m traded

ing, with only FFr600m traded by lunchtime. Activity picked up in the afternoon and the day's volume was estimated at FFr1.5bn while block sales boosted the figure to around

### **SOUTH AFRICA**

JOHANNESBURG ended mixed in quiet trading as softer bullion prices nudged gold shares lower. The all-gold index fell 30 to 1,319 but the industrial ludex continued to test new highs, rising to a new peak of 3,768, up 8.

| 126.85 | 119.82 | 147.30 | 120.13 | 117.58 | 151.20 | 122.37 | 120.13 | 117.58 | 151.20 | 132.08 | 117.11 | 142.27 | 122.87 | 244.47 | 270.56 | 98.67 | 94.34 | 125.15 | 123.35 | 126.22 | 125.35 | 141.82 | 150.59 | 161.77 | 137.30 | 139.18 | 182.46 | 102.32 | 102.32 | 125.35 | 141.82 | 150.59 | 161.77 | 137.30 | 139.18 | 182.46 | 129.35 | 125.25 | 247.78 | 831.79 | 3285.47 | 1079.72 | 126.27 | 124.84 | 145.73 | 43.98 | 43.73 | 54.64 | 178.82 | 182.33 | 223.24 | 187.55 | 165.44 | 208.25 | 206.07 | 163.59 | 225.15 | 142.98 | 125.25 | 177.112 | 174.13 | 178.49 | 204.12 | 83.84 | 85.48 | 100.67 | 174.13 | 178.49 | 204.12 | 83.84 | 85.48 | 100.67 | 142.96 | 152.93 | 159.24 | 125.75 | 123.99 | 151.52 |

DOLLAR INDEX

a	tures as Franki	uri rany p	eiers our
_	FT-SE Eurotrack 100 - Jun 17	for most of its subsidiaries, spart from the component	demand for Volvo. The Affairs
. —	Hourly changes	makers Valeo and Sogeti. After	variden general index rose 8.1

Open 10 am 11 am Noon 1 pm 2 pm 3 pm Close 1155.69 1156.22 1155.81 1154.24 1152.08 1151.99 1151.03 1149.39 Day's High 1156.68

FFr2.2bn. The CAC 40 index for a stake in Belgium's Wagfell 13.32 to 1,844.85, near the day's low of 1,837.28. Elf was the most active stock

of the day as it ended 90 cen-times off at FFr527,800. The Norwegian government yester-day approved Elf's purchase of Noco, a private oil consortium.

Lafarge Coppée fell FFr5 to
FFr394.50 with 324.910 shares
traded, weighed down by its
launch of a 500m eurofrance zero coupon bond and Saint-Gobain's profit warning last

Accor, the hotel and restaurant group, fell FFr3 to FFr795 in heavy trading of 314,550 shares on a report that it might have to pay a premium ons-Lits. Courcoux-Bouvet crossed a block of Accor 280,000 shares at FF775.

MILAN opened the July trading account on a positive note. The Comit index rose 4.02 to 609.94 in volume estimated more than L200bn but less than Friday's L280bn which had been boosted by end-ac-

count activity.

Shares controlled by Mr
Carlo De Benedetti continued
to advance. Cir rose another L45 to L3,095 after Friday's 4.5 per cent rise and Olivetti added L123 to L4,285. One analyst who had visited Cir recently said the holding company had a reasonably bullish outlook

divestments, Cir was now able to concentrate on its core activities. The outlook for Olivetti was also improving, he said. He expected the computer company to report steady profits in 1991, no had thing considering the climate in the computer industry.

The investment group Sonaf rose Li00 to LA.155 on news that it had sold its 5 per cent stake in Conti to Elektrowatt AG of Switzerland, while Pirelli Spa rose L15 to L2,030 on news that it bought a three. on news that it bought a three-year call option on the stake from Elektrowait.

The most obvious laggard was Fiat which fell L45 to L6,570. Standard & Poors, the US credit agency, said that it had lowered the commercial paper ratings on Fist units to A-1 from A-1 plus, citing the group's weakened financial profile following a sharp fall in profits in 1990.

at SFr4.880. AMSTERDAM drifted down from a firmer opening as buy orders petered out. The CBS tendency index closed 0.3 higher at 96.2 after reaching an early high of 96.5. KLM, the national sirling, continued last

week's advance and soared

# FI L30 or 4.4 per cent to a new 1991 high of FI 30.60. STOCKHOLM recovered

# Introducing Eurotrack futures. The grip you need on Europe.

On June 26 LIFFE starts trading its new FT-SE Eurotrack 100 Index futures contract. LTOM will launch a complementary options contract shortly.

These contracts open up major new opportunities for international investors.

For the first time you have an exchange-traded contract that's based on an internationally recognised, real-time measure of Continental European stock markets – the FT-SE Eurotrack 100 Index

You can use Eurotrack futures separately, or in combination with LIFFE's successful FT-SE 100 Index futures contract.

And you now have a highly flexible, costefficient means of gaining a benchmark-weighted exposure to European equity markets in a single transaction. The grip you need on Europe.

Contact our designated brokers, or other LIFFE members, who can advise you on the Eurotrack futures contract and the opportunities it offers.

Barclays de Zoete Wedd Futures Ltd 071 623 9250 David Stuff

Fimat Futures UK Ltd on behalf of Société Générale Strauss Turnbull Securities Ltd 071 588 7109

James Capel C M & M (UK) Ltd 071 621 0011 Mike Smith

National Westminster Financial Futures Ltd on behalf of County NatWest Securities Ltd 071 375 8513

S G Warburg Futures & Options Ltd 071 382 4234 Neil Black

Tullett & Tokyo (Futures & Traded Options) Ltd Clive Roberts 071 955 5660

**UBS Phillips & Drew Futures Ltd** 071 901 1368 Harvey Neale

THE LONDON INTERNATIONAL FINANCIAL FUTURES EXCHANGE ROYAL EXCHANGE, LONDON EC3V 3PJ. TEL: 071 623 0444 FAX: 071 248 5864

+1.2 3.14 152.93 138.42 138.89 142.28 152.93 150.29 +0.3 3.82 134.51 121.75 120.19 125.75 123.99 151.52 -0.2 1.96 179.55 162.51 180.43 187.84 164.00 200.81 +0.5 1.07 132.36 119.80 118.26 123.73 118.83 145.92 +0.4 2.17 133.54 120.87 119.31 124.83 121.64 147.66 +1.1 3.15 152.12 137.69 135.94 142.22 150.53 157.04 +0.3 3.05 115.98 104.98 103.65 108.44 109.24 129.80 +0.6 4.68 137.32 124.29 122.71 128.37 124.52 145.66 +0.4 2.23 135.18 122.35 120.79 126.37 122.88 148.16 +0.8 2.31 137.76 124.71 123.11 128.81 130.33 145.77 +0.7 2.55 139.65 126.40 124.79 130.55 131.94 148.66 +0.8 3.46 145.90 132.08 130.37 136.40 139.33 152.83 +0.6 122.30 -0.1 162.23 +1.1 120.96 +0.9 121.80 +1.1 139.08 +0.7 105.57 +0.8 125.15 +0.9 123.29 +1.1 125.86 +1.0 127.49 +0.9 133.11 120.15 125.84 124.38 159.38 166.91 163.60 118.84 124.45 119.25 119.65 125.30 122.18 136.65 143.11 152.22 103.73 106.64 109.60 122.97 128.77 125.29 121.12 126.84 122.12 123.65 125.26 131.18 132.87 130.79 136.98 141.05 The World Index (2271)... 141.54 +1.0 127.96 125.71 131.96 133.14 +0.7 2.56 140.16 126.86 125.23 131.02 132.20 149.01 123.28 146.65

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Limited, 1987 Latest prices were unavailable for this edition.